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Zvilli to leave Labor

By DAVID ZEV HARRIS

Labor MK Nissim Zvilli, within the next two days, will formally announce he is joining Amnon Lipkin-Shahak's center party, he told *The Jerusalem Post* last night. "I don't believe [Labor Party chairman Ehud] Barak stands a chance of defeating [Prime Minister Benjamin] Netanyahu in the elections," said Zvilli. "I would like to see Amnon Lipkin-Shahak as prime minister, because someone with his nature can ease the atmosphere currently pervading the country."

Zvilli said he will only join a party headed by Shahak. Were Dan Meridor to lead a unified cen-

Labor MKs scramble for slots, Page 2

tral party, Zvilli said he would not participate. There has been long-standing ill will between Zvilli and Barak, and he had been widely tipped to leave Labor ahead of the elections.

Meanwhile, senior Labor MK Uzi Baram has decided to remain in the party, despite his recent differences with Barak, he said last night.

The two met yesterday in a bid to iron out their differences, following the decisions of MK Haim Ramon and Jewish Agency Chairman Avraham Burg not to defect.

For Baram's agreement to remain in the party, he has been promised a key role in its central machinery in the buildup to the elections, though the exact role is still unclear.

See ZVILLI, Page 20

Yeltsin back in hospital

MOSCOW (Reuters)

President Boris Yeltsin has good reason to be less than thrilled to be spending his third consecutive January away from the Kremlin through ill health.

The economy is wrecked and international financial aid on hold. Foreign policy options are narrow, with a comeback visit to France now embarrassing in the balance. His domestic foes and even some erstwhile allies are wheeling menacingly overhead.

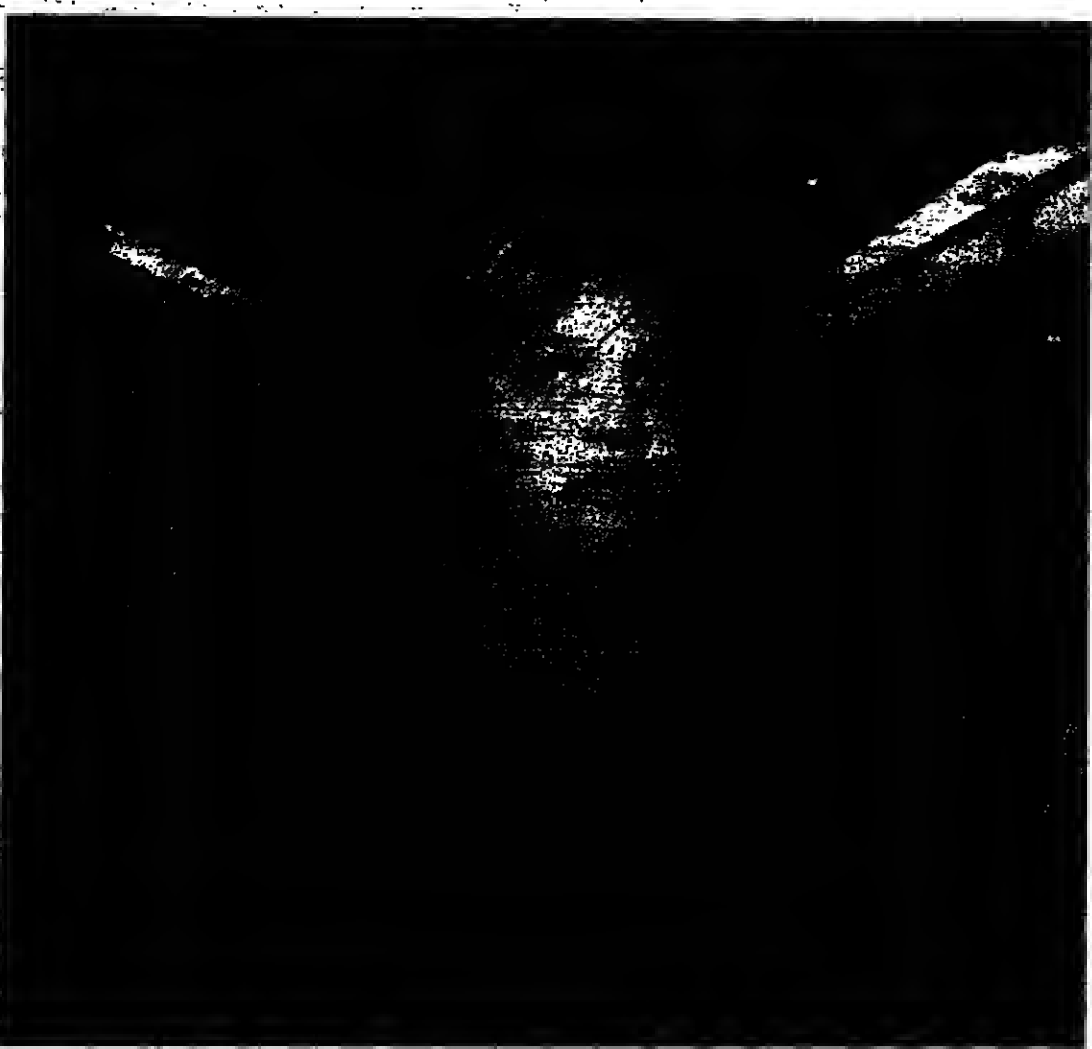
Two years ago, it was pneumonia after heart surgery; last year, it was a respiratory infection. This time, it is a bleeding stomach ulcer that has yanked the 67-year-old Yeltsin out of commission and into the hospital less than three weeks into 1999.

Doctors say he could be in the hospital for up to three weeks.

Officials were swift to say stability is not under threat in Russia, a vast, disparate federation midway through a tough winter and deep in an economic crisis that has jeopardized market reforms.

Political adversaries, not least the main opposition Communists, are increasingly impatient. They say they want an active, visible president.

They are demanding he transfer key powers to Prime Minister Yevgeny Primakov, who already runs Russia day to day, or step down to allow an earlier than the scheduled mid-2000 election.



Rahel Lev, the researcher said to have supplied Yehiam Ohana with the forged documents which he hoped would clear him of a drugs conviction, is brought for questioning at National Fraud Squad headquarters in Bat Yam, despite a plea that she was sick. (Eli Oza / Courtesy of Ma'ariv)

Police arrest Ohana, Lev over alleged forgeries

By LIAT COLLINS

Yehiam Ohana, who is demanding a retrial in a 17-year-old drug conviction, and Rahel Lev, a researcher who provided him with most of the material on which he based his claim of police and judicial corruption, were both placed under arrest yesterday after being interrogated by the National Fraud Squad.

Lev was placed under house arrest for five days because of her frail health, and ordered not to contact anyone involved in the affair. Police said there had been substantial differences in their testimony.

The police are investigating who is behind what they describe as "the mass forgery" of documents Ohana submitted to support his allegations. Ohana claimed that corrupt police officers framed him, while black-mailing a judge with the help of several lawyers, in order to block the appointment of an outsider to a senior police position.

Lev's lawyer yesterday said she was sick and had a doctor's note saying she needed three days' rest, but police doctors said there was no medical reason to prevent her being questioned, and she was brought in for several hours of interrogation.

Cmdr. Miri Golan, head of the fraud squad, who rejected the request to postpone the questioning, said it is important to complete the investigation as fast as possible. "Anybody who came into contact with the forged material will be investigated and questioned about who they received it from and who was involved," Cmdr. Yossi Sidon, head of the Police Investigations Department, told reporters. "We intend finding out who carried out these crimes."

One of the issues being investigated is whether Lev or someone else is behind the forged documents and for what purpose.

Her lawyer, Avi Odiz, claimed that she acted in all innocence and believed in what she was doing. The amount she was paid for her work was minimal, he said, rejecting Ohana's claims. He said Lev served only as a channel for the material and worked as part of a larger research team appointed by Ohana. Lev has worked in the past as a researcher for television programs.

Both Lev and Ohana reject the charges that they falsified the material. Some of the video cassettes provided on Ohana's behalf to prove his innocence also reportedly appear to

have been edited. Hanan Porat, chairman of the Knesset Law Committee, who passed the material regarding Ohana's retrial request and charges to Attorney General Elyakim Rubinstein said last night he does not feel he has been used, even though most of the documents have now been found to be forgeries. He said he acted in accordance with his parliamentary duty and would not have acted differently. He had forwarded the material, as his job requires, without investigating it.

Porat said he would be happy to help the police with their inquiries. He did, however, question the way the police is in effect investigating itself in the case.

Among the questions raised in the case are: Why Ohana remained quiet so long despite the steady promotions of many people he said were involved in framing him? Who forged the material and who knew about it? What motives lie behind the case? Have the politicians who picked up the case been used? And are there grounds to believe Ohana's claims that he was the victim of a miscarriage of justice, even if the material he provided proves false?

'Bronfman wants to be buried on Mt. Herzl'

By AMY KLEIN

A request has been made on behalf of World Jewish Congress president Edgar Bronfman that he be buried in Mt. Herzl Cemetery, the resting place of Israel's founders and leaders.

Traditionally, fallen soldiers are buried in the cemetery. A section of it is devoted to pre-state Zionist leaders and Israeli leaders, such as Theodor Herzl and Yitzhak Rabin.

Jewish Agency spokesman Ofer Amar said the agency is fielding Bronfman's inquiry because it is the organization responsible for the section of the cemetery in which Zionist leaders are buried.

According to Amar, a public official, asked Jewish Agency Chairman Avraham Burg about the possibility of interring Bronfman on Mt. Herzl, Burg brought up the request as a steering committee meeting last Thursday. The committee decided to consider the issue until its next

meeting a week from Thursday. "We will discuss the general issue of criterion for burials in that section of the cemetery, and not Edgar Bronfman specifically," said Amar, noting that all the people buried there were unquestionably "Israeli or (pre-state) Zionist leaders."

If the steering committee believes the issue merits debate, it will set up a three-member committee to investigate it further, Amar said.

"Bronfman has contributed to the Jewish people, but he is not the head of the World Zionist Organization or another Israeli organization," Amar said. "He's not even Israeli."

Bronfman, who is on a three-week trip to China, was not available for comment. But a close associate said he did not know if he is the source of the inquiry. "I think someone probably did this on Edgar's behalf. I have known Edgar a long time and he never asks for things," the associate said. "Not for something like this."

BA deal now available to religious

By HAIM SHAPIRO

Observant Jews are now able to enjoy a weekend in London for a special fare, thanks to Transpore Minister Shaul Yahalom's personal intervention with British Airways.

The special deal, which has been available since January 1, involves the first passenger paying a fare of \$462, while the second passenger pays only \$399. Until now, it has only been available to passengers willing to fly on one of the two BA flights to Heathrow and Gatwick airports on Friday afternoon, both of them arriving well after the beginning of Shabbat. One Jerusalem travel agent even called the deal the "secular special."

However, following the appeal by Yahalom, BA Israel director Roni Ben-Zion announced yesterday that from now on, passengers would be allowed to take advantage of the discount and leave on Thursday afternoon as well as Friday afternoon, with the return flight on Sunday night.

PA agrees to three-way talks in Washington

Sharon's office: We'd meet them on the moon

By BEN LYNFIELD and DANNA HAFMAN

The Palestinian Authority has accepted an invitation by the US to hold talks with Israel on implementation of the Wye agreement in Washington early next month, according to Saeb Erekat, a leading negotiator.

"We stand accused by the Netanyahu government that we have not implemented the agreement. We say we did. We want the US to be in a position to say that also," said Erekat.

Foreign Minister Ariel Sharon's office confirmed that there had been discussion of the possibility of holding a three-way meeting in Washington in the coming weeks, but said there had been no firm agreement.

"We'll meet with them on the moon if that's what they want," Sharon's adviser Ra'anana Gissin said.

Aviv Bushinsky, Prime Minister Benjamin Netanyahu's spokesman, denied any knowledge of such a proposed meeting.

A US official added that the idea to hold such a summit, on any level, had been floated by US special envoy Dennis Ross during his visit last week.

"There was a general discussion about the sides keeping in touch on the negotiator level, but it was all talked about in principle, and nothing was agreed upon. No invitations were sent out, there are no firm dates, and nothing is final," said the official.

He furthermore would not com-

firm persistent reports that Arafat had been invited to Washington for a meeting with President Bill Clinton.

In Washington, State Department spokesman James Rubin said "we have been trying to take steps" to promote the peace process.

If Israel accepts the invitation, these will be the first Israeli-Palestinian talks since the freezing of the Wye agreement last month, Erekat said.

Asked whether plans for the meeting indicated the Wye process may get back on track, Erekat responded: "I don't want to project anything about that. Our attendance is part of our effort to revive Wye, to see it implemented, and to show the Israeli public that we are implementing everything."

While the State Department has already said that the PA has fulfilled its Wye commitments, the Palestinians are hoping they will receive stronger backing from the US as a result of the meeting, Erekat said. The meeting would be of the heads of the steering committee for the Wye agreement.

Netanyahu, in freezing implementation of the accord, faulted the Palestinian side for stalling its intention to unilaterally declare statehood.

He also charged the PA with not curbing incitement or collecting illegal weapons. Palestinians considered these to be Israeli pretexts to avoid following through with the second and third West Bank redeployments specified in the Wye agreement.

"We will see what will come next when the Americans say that we have implemented. Wouldn't it then be up to the Israelis to do their implementation?" Erekat asked.

Ambassador to the US, Zalman Shoval, said he had not heard about plans for a trilateral meeting, but said he thought it might be possible that Ross arranged it on his trip here last week.

Clinton sent a message to Defense Minister Yitzhak Mordechai earlier this month asking the defense minister to press for implementation of the Wye Agreement.

"The successful outcome of those talks demonstrated that, with goodwill and political courage, even the most seemingly intractable problems... can be solved," Clinton wrote in the Jan. 6 letter provided by Mordechai's office.

Meanwhile, Palestinian police released 54 jailed Hamas and Islamic Jihad prisoners for the Id al-Fitr festival, in a move Israel called a "violation" of agreements.

"It looks like a resumption of the revolving door. Actually we have no idea who the prisoners released are. This is another violation," said Netanyahu's communications adviser David Bar-Illan.

Palestinian police chief Ghazi Jabali said authorities released 40 Palestinians yesterday. On Saturday, 14 Hamas members were released.

"The release was a goodwill gesture on the Muslim festival of Id al-Fitr," Jabali told Reuters.

Hillel Kuttler and news agencies contributed to this report.

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NEWS

in brief

Arab leaders prepare to welcome Hussein

Yemen's President Ali Abdullah Saleh, Palestinian Authority Chairman Yasser Arafat, the crown prince of Morocco and Bahrain, and other Arab leaders plan to be on hand to welcome King Hussein on his return to Jordan tomorrow.

He has been in the US several months for chemotherapy to stop the spread of cancer. Posters of the king have been put up around Amman in what is expected to be a huge demonstration of support for him.

Irish premier to Israel, Sharon to Russia

The prime minister of Eire, Bertie Ahern, is expected tomorrow for a brief visit, and will meet with Prime Minister Benjamin Netanyahu and Palestinian Authority Chairman Yasser Arafat. Ahern will not be meeting with Foreign Minister Ariel Sharon, as Sharon leaves tomorrow for a two-day visit to Russia.

PA police searching for Hamas escapee

Palestinian police are searching for a high-ranking Hamas militant who fled a Palestinian prison in the Gaza Strip last month, an official said yesterday. The Palestinian official, who declined to be identified, gave the first confirmation that Yahya al-Ghoul, said to be involved in bombings that killed scores of Israelis, escaped from a Palestinian jail.

Palestinians described Ghoul, also known as Adnan al-Ghoul, as an engineer who helped make bombs used in Hamas suicide attacks. Ghoul is wanted by Israel for the attacks.

Witnesses said Palestinian security officials had camped outside his house since his jail break.

1 dead, 8 hurt in road accident

A man was killed and eight people injured in a collision yesterday evening on the section of road joining the Dimona-Beer Sheva highway with the Omer road.

The accident involved a head-on collision between a car and a van. The injured were rushed to Soroka Hospital in Beer Sheva, where four of them were said to be in moderate condition, four in good condition.

Labor MKs scramble for slots

By DAVID ZEY HARRIS

Rank and file members of the Labor party will be allowed to vote for nine to eleven representatives in the party's primaries on February 15.

The decision was taken after a heated row between members of the party's central committee, following the differences during last week's party convention.

Party Secretary-General Ra'anan Cohen introduced a proposal restricting the votes of party members to between five and nine names during the upcoming primaries. One member accused the party of only advertising the meeting at the last minute to ensure a small turnout and to therefore guarantee Cohen's proposal be accepted.

"If you're only allowed to vote for a handful of candidates, you're only going to vote for the faces you see on the television like Haim Ramon and Uzi Baram," said one delegate.

Following noisy opposition from members it was decided to accept the compromise of 9-11, but even that left many angry.

A host of Labor MKs are spending the week lobbying the party's machinery to push their regional offices up the party's Knesset list.

The increased concern comes as internal Labor polls and others are pointing to a substantially reduced

party list in the next Knesset, with as few as 25 seats being predicted, compared to the current 34.

Furthermore, a committee headed by Barak will decide on the running order of the regional and sectoral seats by the weekend, the expected outcome of which is fewer guaranteed seats for the regions, with some of their places being taken by outsiders.

Jerusalem region representative Ophir Pines-Paz expressed concern that his area will be pushed down the list from 25 to 30.

"It certainly appears as though this will be the case," said Pines. "To push the Jerusalem region out to number 30 is very serious and plays into the hands of Netanyahu who wants to turn Jerusalem into a focus of controversy."

Pines admits this also places a question mark over his own future and said he has decided to take a chance on being elected to the more prestigious national positions on Labor's list.

The national list covers the top 16 places, with Barak and Shimon Peres already guaranteed the first two slots and party Secretary-General Ra'anan Cohen the seventh position.

The national list places will be further reduced if Barak succeeds in persuading the likes of Geshar leader David Levy to join the party or its affiliate, Israel One.



Meridor's finishing touch

Prime Ministerial candidate Dan Meridor puts a mezuza up at his Tel Aviv headquarters yesterday. He was assisted by Rabbi Yehuda Metzger, of north Tel Aviv. Tsomet MK Eliezer Zandberg and former Kiryat Malachi mayor Shimon Moshe were among the politicians and businessmen who joined Meridor for the dedication ceremony.

(Text: Heidi J. Gleit; photo: Ilan Ossendryver/Israel Sam)

ברוך דיין אמת

With deep sorrow we announce the passing of

ESTHER BELLA BENDER ז"ל

(formerly of Manchester)

on Friday, January 15, 1999.

Much loved and deeply mourned by:

Her husband: Reuben

Her children: Miriam, Gerald and David Bender

Grandchildren, daughter-in-law,

brothers and sister.

Shiva at 5 Rehov Jerusalem, Netanyahu



Israel Public Council for Soviet Jewry
Israel Crisis Management Center

deeply mourn the loss of

Dr. MIRIAM FREUND ROSENTHAL

a woman of rare vision and action, and a true friend

We extend our heartfelt condolences to her sons

Harry and Matthew Freund

and to the entire family

ד"ר מרים ברוך



Hadassah Medical Organization

mourns the passing of

Dr. MIRIAM FREUND-ROSENTHAL

Former National President of

Hadassah Women's Zionist

Organization of America

a great friend of Israel and an

outstanding leader of HADASSAH.

We extend our heartfelt condolences to

the bereaved family and to the entire

Hadassah family.

My beloved wife

FRANCS

of Fairlawn, NJ and Haifa

passed away in the U.S. on January 4, 1999.

The funeral took place in the U.S.

May she be remembered as the decent, charitable human being she was.

Hanan Gavrieli, Haifa

British Labor guru advising Barak

By DOUGLAS DAVIS

LONDON - Disgraced British cabinet minister Peter Mandelson, who is credited with revamping the British Labor Party before its landslide victory, has been advising the Israeli Labor Party, according to reports in London yesterday.

Mandelson, whose father was Jewish, is regarded as a key to the success of Prime Minister Tony Blair, both in his bid for leadership of the Labor Party and in the 1997 general elections.

He resigned as Secretary for Industry and Trade last month after it was revealed he had received a secret loan from a wealthy fellow minister, whose business interests were being investigated by his Department of Trade and Industry.

Despite his resignation, Mandelson, who is renowned for

his brilliant presentational skills, has remained close to Blair, who asked his former minister to advise Barak's campaign strategists.

Barak visited London last month in an attempt to learn some of the tricks of the trade that had been developed by Mandelson, who has been dubbed the "Prince of Darkness" for the prodigious power he exercised behind the scenes in the party.

At least one of Blair's campaign strategists, Matthew Taylor, is believed to be in Israel providing follow-up assistance for Barak, who is to rename the Labor Party "One Israel" as Blair resumed his party "New Labor". Like Blair, Barak is expected to produce a revamped, modernizing manifesto that will cut across traditional party lines and appeal to a broad swathe of non-ideological voters.

Report: PM backed off Saddam hit

Prime Minister Benjamin Netanyahu backed away from ordering the assassination of Iraqi President Saddam Hussein during last month's US-British air strikes because the Mossad plan was given only a one-in-five chance of success, according to the London Sunday Times yesterday.

The report added that the operation was called off because it clashed with air strikes and because

Foreign Minister Ariel Sharon and Defense Minister Yitzhak Mordechai doubted the Mossad information.

It said that details of the operation were leaked "because military intelligence analysts believed the assassination of Saddam would irreparably damage the Middle East peace process and Israel's future relations with Arab countries."

Douglas Davis

Inquiry to probe burial of commandos' body parts

By ARIEH O'SULLIVAN

Following pressure from the families of two naval commandos killed in Lebanon, Chief of General Staff Lt-Gen. Shaul Mofaz has appointed an inquiry into the questionable burial of their body parts.

Mofaz announced yesterday that the inquiry will be headed by retired Supreme Court justice Zvi Tal. Also on the panel will be Maj-Gen. Yitzhak Brik, who until recently head the IDF colleges, and Rabbi Shlomo Riskin, chief rabbi of Efrat.

The inquiry is to examine the way in which the body parts of 3PO Guy Golan and 3PO Raz Tabi were identified and brought from Lebanon for burial to Israel. Tabi and Golan were killed along with nine other commandos and an IDF doctor on September 4, 1997, during a raid in Lebanon. The body of 3PO Ilanar Ilya, which was not recovered after the raid, was returned in a deal with Hizbullah last June, along with the body parts.

The Tal inquiry is also to look into the reasons for not informing the bereaved parents of the burial of parts of their children's limbs. According to an IDF announcement, the inquiry is to submit its findings, conclusions and recommendations to Mofaz within 90 days.

The fathers of Tabi and Golan want their son's graves reopened and the parts reburied in a proper

way. They have launched a crusade against what they see as the sly and negligent way in which the IDF identified the body parts and buried them without informing them.

The Tabi and Golan families have called for an independent inquiry

into the ordeal. Mofaz has already met with them and personally apologized for the affair. New regulations have also been drawn up since to give prior notice to family members of a soldier of the burial of any body parts in the future.

To our dear friend
Dita Natzor
Our sincere condolences on the passing
of your beloved husband
ISRAEL NATZOR
May you know no further sorrow.

Women's League for Israel
Harriet Lainer - President

We mourn the loss of a great man
and scholar,
a true patriot, and a brave fighter for
the Land of Israel

SHLOMO BAUM ז"ל

Our condolences to the family.

Ilana - wife

Maya, Ilil, David - children

Gail and Emanuel A. Winston
Skokie, Illinois

With great sorrow we mourn the passing of our
beloved husband, father, brother, grandfather, and great-grandfather

LEON W. KATZ ז"ל

Husband of Heien Katz

The family is sitting shiva at the Katz residence
21/3 Rehov Ahad Ha'am, Jerusalem.

Thank You

My words can do little to express my deep appreciation to all of you who have
extended your thoughts and prayers for my husband

Zalman Chaim ben Yaakov Leib ז"ל

Those of us who have known and loved him over the years will miss his
counsel, his generosity, his humor, his criticisms, and perhaps most of all his
friendship. We will always have his example.

I am eternally grateful.

Mem Bernstein

We mourn the passing of

Dr. MIRIAM FREUND-ROSENTHAL

Former national president of Hadassah,
USA, and American Zionist Leader

Children: Harry and Matta Freund, New York
Dr. Matthew and Blanche Freund, Florida

Grandchildren: Michael and

Sarah Freund, Ra'anana

Rebecca Freund, New York

John Freund, New York

Gilead and Geri Freund, Tekoa

Carmel and Franco Kostolitz, Connecticut
and 10 great-grandchildren

New 'green' party launched

By LIAT COLLINS

Nehama Ronen, who last week resigned as director-general of the Environment Ministry, yesterday officially launched the Kol Hasviva (Voice of the Environment) party. She hopes it will get into the next Knesset, although she refused to predict with how many seats.

At a press conference in Tel Aviv, Ronen criticized all past environment ministers, including Rafael Eitan who appointed her. Ronen said all the ministers took the job because it was a cabinet position, without really being interested in the issues involved.

While the other parties in the race are dealing with issues like the negotiations with the Palestinians, the Golan Heights, and determining the country's borders, they are "neglecting to deal with environmental time bombs which threaten our lives and well-being," she said.

Ronen said that 1,500 people a year die of problems related to air pollution. Other pressing issues are the disappearing coastline, river pollution, and the development of

the Cross-Israel Highway, while rail transport is not being developed.

She said there needs to be a strong environmental party to draw up policy and stop what she called "a conspiracy of silence" among mayors, MKs, and other leaders because of economic and political concerns.

Ronen stressed she could have had the No. 2 slot on the Tsomet list, under Eitan, but decided instead to go ahead with an environmental party "to fight the real fight." Ronen said her political stands are not the same as Eitan's and she supports the Oslo Accords and believes a Palestinian state is a fait accompli and the main thing now is to ensure that the largest area possible remains under Israeli control.

She did not rule out working together with the Green Party, which won two places on the Tel Aviv city council. The Green Party, however, issued a statement accusing Ronen of "hitching a ride on the environment" and saying that during the period she was director-general, the country's environmental situation reached a new low.

Begin registers his Herut party

By DAVID ZEV HARRIS

Prime ministerial candidate Ze'ev (Benny) Begin yesterday registered his new party, Herut, which describes itself as the national movement, becoming the seventh to do so ahead of the May 17 general election.

The top 10 names on the list of founders are former prime minister Menachem Begin's chief of staff Yehiel Kadishai, ex-Herut MK Shmuel Katz, former finance minister Yoram Aridor, philosopher Prof. Yossef Ben-Shlomo, former Ramle mayor Moshe Peretz, former Ingur Zvi Leumi member Miriam Tavin, Limor Livnat's father Azriel, authoress Naomi Frenkel, ex-Herut MK Ya'akov Neufeld, and Jerusalem Likud official Shmuel Shimon-Tov. Begin's team is headed by MK Michael Kleiner, who heads the Land of Israel Front.

The party outlined its key policy targets:

- Working to increase settlement throughout Israel and the Land of Israel.

- Jerusalem will remain the unified capital.

- Territory, including the Golan Heights, will not be handed over to any foreign regime.

- The country will work towards peace with its neighbors, but not at the expense of security.

- Equal rights to be granted to all citizens in a democratic framework.

- While issues of freedom and human rights will continue to be enshrined in basic laws, matters concerning religion will be decided by "wide consensus."

- The government will attempt to reduce unemployment, increase competition in the economy, and reduce the gap between rich and poor.

Revisionist diehards and young princelings

ANALYSIS

Publicist and author Shmuel Katz quit active politics in 1951. This was after serving one truncated term as a Herut MK in the first Knesset. Now Katz is back in Herut - the new Herut to be exact. This is not the Herut once headed by the late Menachem Begin, but by his son Ze'ev Binyamin (Benny).

There is something symbolic in the fact that Katz is listed among the renaissance Herut's founders. More than anything, the new party longs for the past, for the days when parties were ideological and ideology was pure. Begin-the-son is clearly out to resurrect those days, and his choice of a name for his party is no accident.

One needs only to glance at the names of the new party's other sponsors (as distinct from Knesset candidates, whom the new Herut is yet to pick). They are a combination of Revisionist diehards of yesterday, and, curiously, of very young, third-generation princelings.

The sons of the younger party members are there along with past activists in their 70s and 80s. Thus Katz is accompanied by Yehiel Kadishai, Menachem Begin's spirited right-hand man. He is practically a member of the extended Begin family and it is all but unthinkable that he would not back Ze'ev Begin's new political venture. After all, he was instrumental in convincing the geologist to enter the political fray in the first place. Also there is Azriel (Uzi) Livnat - Limor's father. A Lehi veteran, he finds that the Netanyahu government, which includes the daughter he is said to be very close to, has diluted everything he believes in. Limor, too, was invited to the party, but declined.

Somewhat younger is former finance minister Yoram Aridor, who

has been out of the arena since the mid-80s and has not been part of the Likud's alleged ideological slide. The newer names also sound familiar. MK Michael Kleiner's son Gideon is there, as is Alon Reiser, son of the late MK Micha Reiser, who met an untimely death in a traffic accident. The younger Herut members say they are true to the creed of their fathers.

Herut, however, is not alone on the far right. But whatever happens to the many rightist lists, Begin is certain to be their only prime ministerial candidate and will not last beyond the first round. His followers are then expected to vote for Binyamin Netanyahu as the lesser evil.

Some Netanyahu strategists even contend that the Begin candidacy can prove a boon to them. The mantra repeated by Labor's Ehud Barak seeks to lump Netanyahu with the extremists. Netanyahu needs only to point to Begin to dissociate himself with the extreme right. He can claim that he has Barak and Amnon Lipkin-Shahak on his left and Begin on his right, leaving him directly in the center, poised to pick up some of the votes said to be floating between the large parties.

Yet if the new Herut survives to face another race, Begin may find that, like Netanyahu, he is no longer considered ideologically true-blue enough. Katz, it should be recalled, was appointed special foreign affairs adviser to Menachem Begin soon after his 1977 victory.

Katz quit a few months later. He then mounted some of the most acerbic attacks ever on the elder Begin after the Camp David Accords - not unlike what Benny has been doing to Bibi since the Hebron agreement.

ON THE RECORD

"I don't believe Barak stands a chance of beating Netanyahu in the elections. The character I would like to see as prime minister is that of Amnon Lipkin-Shahak, because someone with his nature can ease the atmosphere currently pervading the country." - Labor MK Nissan Zivli

"There is a conspiracy of silence [among mayors and politicians] because nobody really wants to tell the public what it should be worried about because it would make people ask about the source of their money." - Nehama Ronen, head of the Kol Hasviva environmental party.



Nehama Ronen launches her party, Kol Hasviva, at a press conference yesterday. (Yael Sorek/Israel Sun)

Druse general quits IDF

ELECTIONS NOTEBOOK

• AMAL Assad, the Druse brigadier-general who quit the IDF yesterday to join Amnon Lipkin-Shahak's center party, said there is too much racism in Israeli society.

Interviewed on Israel radio immediately after returning to civilian life yesterday, Assad said he wanted to give Druse a better representation in the government. Sounding very much like his former commander Shahak, Assad said that the main problem facing Israelis today is the way they treat one another.

"Israeli society as a whole is racist," Assad said. "[Israel] has elements of racism, not just among the Jews, but also among the Druse and the Arabs, and in Israeli society there are ethnic groups who behave in a racist way. This is one of the difficult problems that Israeli society is facing."

By quitting the IDF to run for office, Assad forfeited a full year of paid leave including a driver, office and salary. But, he said, he had no regrets.

"I plan to be in the leading sector of Israeli politics and to be an influence with all of my accumulated experience over the years in society and the army," Assad said.

Assad, 43, was promoted in April and placed in charge of coordinating security with the Palestinian forces.

• WITH five days left until the Likud list officially closes, Defense Minister Yitzhak Mordechai is still undecided about his political future, party sources said last night.

Despite a series of meetings with Prime Minister Binyamin Netanyahu in the last few days, Mordechai is torn between remaining with Likud and joining prime-ministerial candidate Amnon Lipkin-Shahak.

Both Netanyahu and Shahak have promised Mordechai will retain the defense portfolio if they are elected. Labor Party Chairman Ehud Barak is understood to have made Mordechai a similar offer.

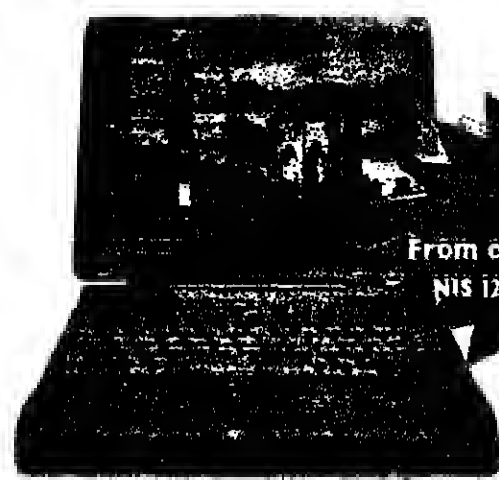
"Ninety-nine percent of Likudniks believe he's going to stay in but my feeling is he's leaving," said one senior party worker. He went on to say that Mordechai has been hurt too much by Netanyahu, and that because he is not a professional politician, he is finding it too hard to swallow his pride.

Mordechai is expected to make an announcement within the next two days.

Candidates for the Likud list must register their interest no later than 1 p.m. on Friday, enclosing NIS 6,000 for processing costs.

Arieh O'Sullivan and David Zev Harris

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NEWS

in brief

Protests expected as Haifa Council meets

Protesters representing the Conservative and Reform movements and their opponents are expected at a Haifa Religious Council's meeting tonight. The council, which includes representatives identified with both non-Orthodox movements, was due to meet last week, but the meeting was cancelled on orders from the chief rabbis. Yesterday, both the non-Orthodox council members, Yonatan Friedland and Anat Freund, and council chairman Yitzhak Gatz reported receiving telephone threats. This follows the Friday arrest of a Bnei Brak resident who allegedly threatened three Supreme Court justices after they ruled that the council must convene by tonight. If, as is expected, none of the Orthodox council members appears and there is no quorum, the council must meet next week and conduct its business with as many members as do participate.

Haim Shapiro

Eden group to represent Israel in Eurovision

The Eden group will represent Israel at the Eurovision Song Contest to be hosted here on May 29. It will sing the song, "Yom Huledet (Birthday)," written by Moshe Datz, Gaby Butler, Jackie Oved and Yaakov Limat. The song was chosen by a special committee of the Israel Broadcasting Authority yesterday. "It's an excellent song," Datz said. "We'll do the best we can to win." Israel is hosting the contest after Dana International won it last year in England.

Jerusalem Post Staff

Police still investigating Miss World rape

Inbal Rubinstein, the lawyer for a Jerusalem man suspected of raping and trying to murder Linor Abergil a few weeks before she won the Miss World competition, said yesterday that she expects a charge sheet will be presented against him tomorrow. Police still are investigating Abergil's claims that Uri Shlomo offered to drive her from Milan to Rome, but instead drove her to an isolated location and assaulted her. A police spokeswoman said yesterday that she expects the investigation will be completed soon.

Heidi J. Gleit

President issues Id al-Fitr message

President Ezer Weizman yesterday issued the following message on the occasion of the Id al-Fitr holiday marking the end of Ramadan: "On the occasion of Id al-Fitr, I extend holiday greetings to the Muslim citizens of the State of Israel and to Muslims in neighboring countries. It is my hope that the holiday should always be celebrated in the shade of the peace for which we all long, to the benefit of all inhabitants of the region."

Jerusalem Post Staff

Flour, polyethylene prices down

Flour prices today drop 4.37% to between NIS 1.95 and NIS 2.00, polyethylene drops 10%, the Treasury announced yesterday. Flour prices are dropping because world wheat prices are lower. The change follows a 16% increase in flour prices on November 15 reflecting the strong dollar at that time.

Tim

Wallenberg anniversary marked

Raoul Wallenberg's disappearance 54 years ago on January 17 was commemorated last night at a Tel Aviv University symposium marking the International Year of Human Rights. Wallenberg, a Swedish diplomat, saved 100,000 Hungarian Jews from the Nazis. He disappeared the day he was taken away by Russian soldiers, two days after the city of Budapest was liberated. The keynote speaker, for the evening was Prof. Ili Fogheli, law professor at the University of Copenhagen and a former Danish cabinet minister. "Raoul Wallenberg was one of the most fantastic people this century," Fogheli said.

Naomi Simons

IRC chairman Leo Cheme dies

Leo Cheme, who was directly involved in most of the major refugee movements for four decades as head of the International Relief Committee - founded in 1931 to assist refugees from Nazi Germany - died in New York at 86. John Whitehead, the current committee chairman, remembers Cheme as a fiery speaker and a hands-on leader who would take ad hoc "citizens committees" right into trouble spots. In 1984, then-president Ronald Reagan awarded Cheme the Medal of Freedom, citing his "moral passion" in the service of refugees.

Los Angeles Times

Health Ministry official blames Treasury for severe fund cuts

By JUDY SIEGEL

The government went "overboard" in demanding that the health funds cut costs, with the result that some members are not getting the treatments they're entitled to, Health Ministry director-general Prof. Gabi Barabash conceded yesterday. The Treasury was the engine behind these pressures, he said.

Barabash yesterday sent a memorandum - titled "Doctors in a Trap: Preserving Faith (in physicians) in an Era of Clashing Interests" - to heads of the four health funds, directing them to send copies to all their medical staffers. In it, the director-general noted that he had been struggling with the subject for several months, but was pushed to issue a directive after receiving a letter from a senior health fund neurologist. Her request for a drug for a seven-year-old patient that was not included in the basket of health services had been turned down by the insurer.

The doctor wrote to Barabash that the boy, who suffered from two or three grand mal epileptic attacks per day, was not responding positively to any drug in the basket. He had been taken to emergency rooms and hospitalized dozens of times - until a new drug called Topamax was prescribed. It stopped his attacks completely, but soon the neurologist's samples from the manufacturer will run out.

He will again be hospitalized and have attacks that endanger his life - and I'll regard you as being to blame. The family can't afford to buy the drug on a regular basis," she wrote.

Barabash wrote in his directive that the neurologist's letter "illustrated in a frank way how far we have gone as doctors in protecting the budget framework and health expenditures."

There was no response from the Treasury.

The Jerusalem Post complained to a health fund recently about the case of a 42-year-old woman suffering from lymphoma whose doctors said she urgently needed a drug not included in the basket that was urgently needed to shrink a tumor in her head and prevent it from pressing on her brain. The four treatment costs NIS 44,000. After consideration of the case and consultation with the ministry, an exception was finally made, and the health fund - which had the medication in stock - gave it to her.

Barabash wrote that doctors were placed in a bind between a deficit-ridden health system, which would go bankrupt if spending were not controlled, and doctors' commitment to their patients.

Doctors and administrators, Barabash said, "have become gatekeepers to protect the budget framework, while at the same time, their commitment to institutions for which they work competes with the basic requirement of a doctor's loyalty to the patient."

Recently Barabash said he sent warning letters to doctor-administrators in one of the health funds who had instructed their subordinates to substitute a cheaper hypertension drug for patients who were already getting a more expensive drug.

The director-general stated that there is no reason not to start a patient on a generic or alternative drug whose efficacy is proven as efficient as more expensive drugs. However, the doctor must ensure continuous treatment with a drug and not substitute another for reasons of costs if the patient has already achieved therapeutic balance, as in hypertension or diabetes.

"The first thing that must be done in every case is for the doctor to consider his accountability to the patient," Barabash said.

By HEIDI J. GLEIT and DAVID ZEV HARRIS

The homes of three key Labor Party campaign workers have been burgled this month. No campaign material was stolen, but police are investigating whether they are connected to one another or to the theft of campaign material from the Washington office of Stanley Greenberg, Labor Party leader Ehud Barak's American campaign advisor, a Tel Aviv police spokeswoman said.

In addition, two other break-ins at homes of Labor Party supporters were reported a

month and four months ago.

The victims include Barak's strategic advisor Rafi Barzilai, campaign head Tal Zilberstein, Orna Angel, who heads an association called Barak for Prime Minister, and Angel's assistant Rudi Bite.

Labor Party officials were reluctant to speculate about the burglaries, after the storm that erupted last week when Labor MK Ori Orr suggested that Prime Minister Binyamin Netanyahu's allies were responsible for stealing Barak campaign material from Greenberg's office.

"We are not blaming anyone, but it's more than a coincidence that five homes have been burgled," Labor Party spokesman Yitzhak Rav-Yehi said.

"We're going to wait for the findings of the police investigation," said Aliza Goren, Barak's spokeswoman. "I really hope this is not linked to the elections." Attorney Yitzhak Herzog, an advisor to Barak, said on Israel radio that the break-ins at the homes of the campaign workers took place during one week this month, although a spokesman for Barak said nothing substantial was taken.

In Washington last week, the FBI and local police began searching for clues to the break-in at the offices of Greenberg, a pollster hired to advise Barak. Confidential records, a laptop computer and petty cash were taken.

"Every break-in is a crime," said Likud spokeswoman Ronit Eckstein. "Anybody who did this should be in prison." However, she added that those suggesting the offenses were committed for political reasons "should be ashamed."

Christian groups attacked

By AMY KLEIN

Jerusalem police are investigating a recent wave of threats and violence against Christian organizations in Jerusalem. The incidents have led some Christian leaders to distance themselves from the concept of the millennium, saying there is no scriptural basis supporting it.

Pictures of a bullet shot through the forehead of one of the Swiss Catholic women whose apartment in Mea She'arim was burned down last November were plastered outside two churches and a Bible bookstore on New Year's Eve, police confirmed yesterday.

Nearly two weeks ago vandals hurled stones at Jerusalem's St. Andrew's Church of Scotland, breaking several of its stained glass windows.

Police spokesman Shmuel Ben-Ruby said police do not know if the events are related and no suspects have been arrested.

"Two pictures of the Swiss woman with a bullet around her face and bullet hole in her forehead were glued on our door," said Judy McClean from the Torch Book Shop on Jaffa road. The store, a non-denominational organization, publishes Bibles in different languages. McClean believes the incident was the result of hatred violence against Christian organizations.

Other Christian leaders are concerned that the violence has resulted from the recent deportation of the Concerned Christians, the apocalyptic cult suspected of planning a violent attack in Jerusalem to bring about the second coming of Jesus.

"The recent TV coverage has painted all the Christian groups as one and the same - as violent," said Charles Kopp, the Chairman of the Union of Christian Councils in Israel, whose Baptist House Center on Narkiss Street also was splashed with bullet posters. "There are all kind of incidents taking place lately which might have resulted from the coverage of this millennial event, which is not an eschatological event."

Though the bullet pictures were posted prior to the arrest and deportation of the cult members, Kopp believes that recent anti-Christian activities are the result of negative images of Christians portrayed as missionaries and cultists.

Since the deportation of the 14 members of the cult, many Christian leaders are quick to distance themselves from the cult and the concept of the millennium.

"The vast majority of Christians do not take seriously anyone who may be setting with certainty either 2000 or 2001 as the date for Christ's return," said David Parsons, a media officer for the International Christian Embassy in Jerusalem. "There has been a gross distortion of Christian views on the approach of the new millennium which has caused unnecessary apprehensions in Israel about the millions of Christians expected to make pilgrimage here over the next two to three years to mark this event."

Parsons pointed out that most scholars agree that the actual anniversary of Jesus' birthday occurred in 1996, and this is more a "symbolic" birthday celebration and not an expectation for the second coming.

Douglas Davis adds: British security authorities are preparing for possible terrorist attacks or an act of mass suicide in Britain by members of the Concerned Christians, 14 of whose members were expelled from Israel earlier this month.

Monte Kim Miller, leader of the Denver-based Concerned Christians, is known to be hiding in Britain, along with an unspecified number of his fanatical cult followers.

Scotland Yard's Chief Superintendent Brian Younger, who is in charge of a \$10 million anti-terrorist team based at the Millennium Dome, confirmed that Miller is in Britain and said there were concerns that his cult and others might be targeting the Dome.

The Dome will be the focus of British events to mark the millennium and is being built at Greenwich, which is traditionally used as the base line for measuring time and distance from the meridian.



Remembering the 'Dakar'

Prime Minister Binyamin Netanyahu yesterday lays a wreath at the 'Dakar' Memorial Site on Mt. Herzl in Jerusalem during a service commemorating the 31st anniversary of the Israel Navy submarine's disappearance on its maiden voyage in the Mediterranean. Netanyahu pledged to continue efforts to find the sub, saying the state owed this to the 69 men on board and their families.

(Gideon Eiger)

Netanyahu rethinks raising '99 inflation target

By JESSICA STEINBERG

Prime Minister Binyamin Netanyahu, who is also acting finance minister, is reconsidering his intention to abandon the 4 percent inflation target for 1999, sources in the Prime Minister's Office said yesterday.

Netanyahu's change of heart followed December's minimal 0.1% rise in consumer prices, and last year's overall 8.6% inflation, the sources explained.

"We were very satisfied that the 1998 inflation target of 7% to 10% was met," said Prime Minister's Office assistant spokesman Ophir Alonim.

The government's 4% target for 1999 now seems reachable, he explained.

Bank of Israel Governor Jacob Frenkel has gone on record warning against so-called election economics, of which a higher inflation target would be both a symbolic and a potent component.

The central bank consistently argued, even in the face of last year's global financial turmoil, that the attainment of a low-inflation level this year is both feasible and desirable. Now it feels vindicated.

"Inflation is declining, returning to August's pace, and the government's target," said spokesman Gaby Fishman.

"The thinking here is that the 4% inflation target is achievable," Fishman said.

Earlier this month, Netanyahu said

he wanted to raise the inflation target by some two percentage points.

"Now we're looking at the figures of the last few days and weeks," said Alonim, "and based on those the government, not the prime minister, would decide on a target, but only after the budgetary arrangements bill and the budget itself are passed."

The government hopes to pass the budget by the end of this week, and the inflation target is to be debated at a special cabinet session next week.

Edelstein blasts Barak over Pollard

By DANNA HARMAN

Absorption Minister Yuli Edelstein yesterday attacked MK Ehud Barak for refusing to sign a joint letter to President Bill Clinton calling for the release of Jonathan Pollard.

"I wish to express my disgust over Barak's refusal to join the prime minister's entreaty to President Clinton for the release of Jonathan Pollard," Edelstein said at yesterday's cabinet meeting.

Prime Minister Binyamin Netanyahu, in turn, also registered his disappointment with Barak, saying that "this is a matter of national, not political, interest: all Israelis understand that the State of Israel must bring Pollard - who worked on Israel's behalf - home."

Netanyahu added that he had hoped for "a wall-to-wall, national consensus on this matter, which would have strengthened Pollard's chances of being released."

A top aide to Barak, in response, said that the prime minister was using the Pollard letter for election purposes, and that such sensitive matters had to be dealt with quietly. Barak, said the aide, has brought up the Pollard case with the US administration three times in the past.

"There are things that are better done discretely and without fanfare," said the aide. "The first we learned of such a letter to Clinton was in the newspaper, and this is not a respectable way to get things done."

David Ziso, Barak's spokesman, added that "Netanyahu has failed in all his attempts to deal with complex affairs such as the Pollard affair. His loud, public manner of dealing with such issues only causes damage."

Shlomo Baum, ex-commando, dies at 70

Jerusalem Post Staff and news agencies

Shlomo Baum, a founder of the 101 commando unit which carried out reprisal raids in Jordanian-held territory in the 1950s, and later a vocal right-wing activist, has died in Jerusalem, age 70.

The 101 unit was led by Ariel Sharon who had warm praise for Baum: "[Shlomo] was a fantastic, fearless soldier," Foreign Minister Ariel Sharon said, "who served his whole life in the service of the country. He was an intelligent, self taught man who read without end, and never tired of listening to other's stories."

"In addition, and this is what made him particularly special to me, he feared the weakness of the Jewish people. Shlomo, more than anyone, understood well that we had not reached the end of the road to peace, and that the journey was still long. He spoke out again and again against giving in to the demands of the Arabs, he said that even tactical concessions should be avoided. He voiced these opinions with confidence, and without apology, to friends and leaders alike."

"I had very special relations with Shlomo over the years, and when I think of him, the first thing that comes to mind is his deep understanding of the need for Jewish strength and continuity in this country. This was a life long belief - the belief in the right of the Jewish people to live in the Land of Israel. And what is particularly sad is that he was taken from us at the very moment that his vision is most needed."

Prime Minister Binyamin Netanyahu also praised Baum in a statement issued yesterday saying, "Shlomo Baum was one of Israel's senior soldiers during the early days of the state."

Together with his comrades in unit 101, he worked to consolidate the strength of the Jewish defenses and to mould the image of the Jewish soldier - the spirit of courage and devotion to the cause that has inspired generations of soldiers in the IDF.

Baum, who lived in the mixed Jewish-Arab Jerusalem neighbor-



Shlomo Baum (Efraim Kishon)

hood of Abu Tor, was noted for his shaved head, his muscular physique, and a talent for controversial turns of phrase.

He spoke unhesitatingly to reporters of the days when he trapped two Arab legionnaires near his Abu Tor home in the '50s, when he helped Sharon clear the Gaza Strip of terrorists in the early '70s, and when he killed a number of enemy soldiers in the Yom Kippur War.

"The whole soap bubble of coexistence has exploded," Baum, a colonel in the reserves, told a

neighborhood meeting in 1988, shortly after the intifada erupted. Abu Tor was one of the hardest-hit neighborhoods, and in 1989 residents recruited Baum to head the local civil guard.

He boasted that he always kept his pistol loaded, and would pose for photos walking through the neighborhood accompanied by one or more of his fierce dogs.

Baum's base was in Jerusalem, but the media favorite also spent time on settlements in order to attract publicity to the settler's cause. He was a staunch opponent of territorial compromise.

He was in the Sinai settlement, Yamit, until the day troops under the command of then-defense minister Sharon evacuated the town as part of Israel's peace agreement with Egypt.

He is survived by his wife Ilana, who was a long time journalist with Ma'ariv and later Yediot Aharanot, and who now operates an Internet publication; his children David, Ili and Maya, and his sister Ella Meirman.

Baum will be buried on Har Hamenuhot at three o'clock today, with an eulogy delivered by Sharon.

Danna Harman contributed to this report.

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Salaries break-ins

Salaries break-ins



Salaries break-ins

Inflation target

Inflation target

Indo, dies at 7

Kurd rebel eludes Turkey's grasp

By ALISTAIR BELL

ANKARA (Reuters) - Kurdish guerrilla leader Abdullah Ocalan has fought a ruthless separatist campaign in southeast Turkey for 14 years and now seems bent on paying Ankara the prize of his extradition to Turkey.

Ocalan, who left Italy on Saturday just over two months after his arrest at Rome airport, has lived in a shadowy exile since 1980, building up a support network of militant sympathizers around Western Europe.

At home, Ocalan is reviled by the popular press across the political spectrum as a mass-murderer responsible for the death of some 29,000 persons.

But despite a persistent legal and

diplomatic drive by Ankara, Italian authorities refused to hand over the guerrilla chief because the Italian constitution forbids extradition if a suspect may face the death penalty.

Kurdish supporters from across Europe demonstrated in support of Ocalan. Several set themselves on fire - at least one died in Moscow - to protest against his detention before an Italian appeals court ruled last month that he could go free.

"Wherever he goes in the world, we will pursue him... Those who befriended him are the partners of a baby-killer, a murderer of old people, and someone who takes pleasure from terrorist murders," Turkish President Suleyman Demirel said last month.

Ocalan, a heavily built man who

sports a thick moustache, retains a Cold War brand of nationalism mixed with Marxist-Leninism, that belongs to another era.

"You must believe before everything else that the revolution must come, that there is no other choice. You must say no to betrayal and denial," Ocalan said in a televised address to Kurdish youth in August.

The Kurdish cause will one day be won through tireless struggle against NATO member Turkey and its "imperialist" Western or "Zionist" Israeli allies, he said.

Ocalan was driven from Syrian exile in October after Ankara threatened Damascus with armed force if it did not wind up bases it said the PKK were using to launch raids in the southeast.

From there he fled to Moscow before appearing in Rome.

Ocalan, a drop-out from Ankara University's political science faculty, founded the Kurdistan Workers Party (PKK) in 1978 as an extreme-left nationalist faction that later earned a reputation for ruthlessness by killing members of rival groups, Kurdish "aga" landlords, and pro-government tribesmen.

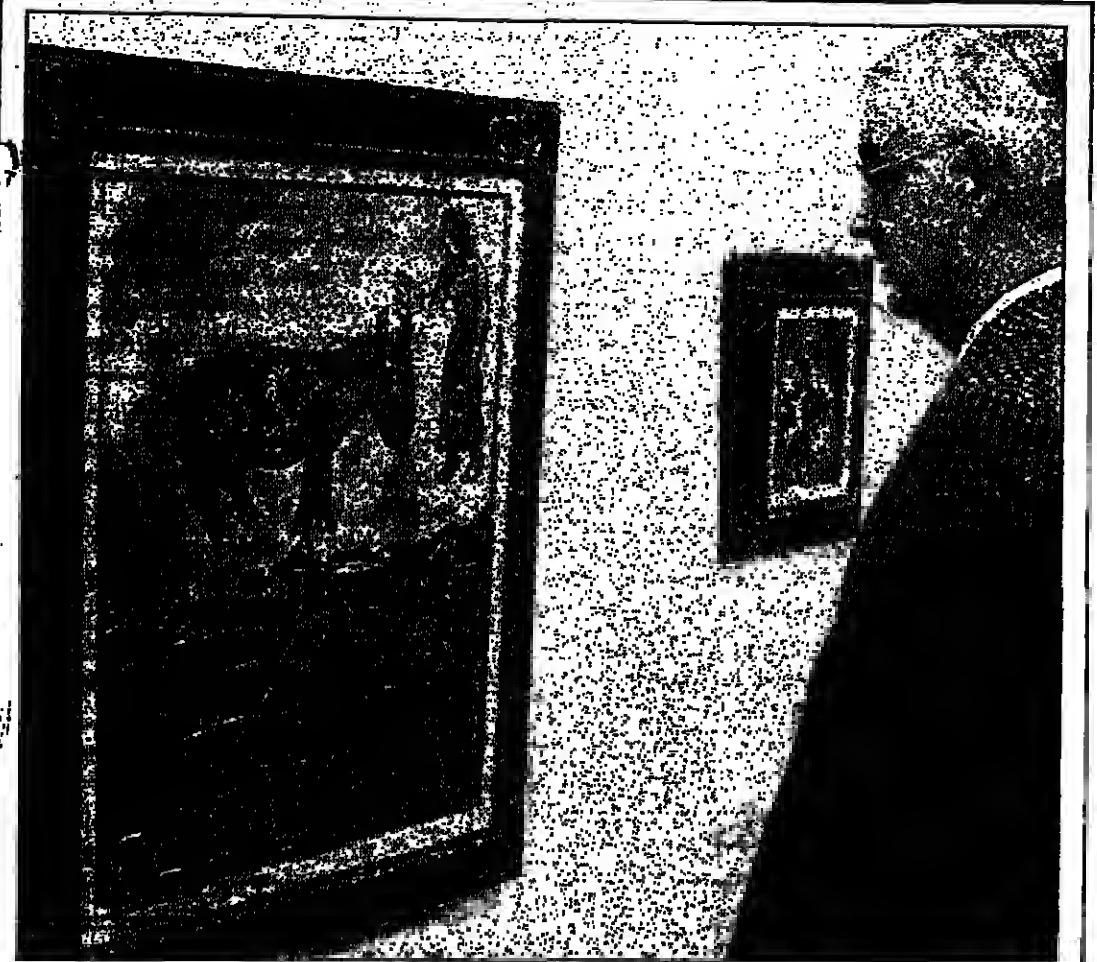
Fourteen years ago he fully launched his war against Turkey for the establishment of an independent state of Kurdistan along Marxist lines.

More than 29,000 guerrillas, civilians, and members of the security forces have since been killed in bitter fighting in the mountainous southeast of Turkey.

Clashes often spill over into Kurdish-held northern Iraq.

The PKK announced "liberated zones," and Turkish forces rarely travelled through the region at night for fear of ambush. But a tough military scorched-earth campaign against the rebels and their civilian supporters has since pared back the group's numbers and badly weakened its ability to strike.

The guerrillas' former number two, Semdin Sakik, defected to an Iraqi-Kurdish group in March, to despair at Ocalan's direct leadership style. He was later captured by Turkish special forces in a lightning raid into northern Iraq. One of the harshest complaints by Sakik was that Ocalan has not used a gun in anger for more than a decade.



Chagalls on sale

Visitors admire the painting 'L'Ané Bleu Au-Dessus Du Village' (Blue Donkey above the Village) by Marc Chagall in a private gallery in Solothurn, Switzerland, yesterday. Hundreds of potential buyers flocked to the public debut of more than 40 Chagalls, which went on sale for 15 million Swiss francs. The gallery purchased the previously unseen paintings directly from Chagall's estate. (Reuters)

NATO envoys meet on Kosovo crisis

BRUSSELS (Reuters) - NATO ambassadors met yesterday to discuss the massacre of 45 ethnic Albanians in Kosovo and the threat of a return to full-scale conflict in the Serbian province, a NATO official said.

The meeting began with a briefing by NATO supreme commander General Wesley Clark, who has recently made it plain he believes the risks of a renewed Yugoslav military offensive to wipe out separatist guerrillas are now very high.

President Bill Clinton has blamed Serb forces for the atrocity, saying Belgrade appears intent on using terror to quell ethnic Albanian demands for independence for Kosovo.

The Organisation for Security and Cooperation in Europe (OSCE), which commands an unarmed, international verification mission in Kosovo, also said Serb forces were responsible.

Belgrade says the 45 were guerrillas killed in a firefight.

NATO ambassadors are, theoretically, empowered to order air strikes held in abeyance since late last October, when Yugoslav President Slobodan Milosevic gave in to international demands to withdraw forces and seek a negotiated solution.

But NATO was unlikely to order military action at this stage, NATO sources said the allies were likely to demand that Milosevic comply with pledges he made to hold his forces in check.

Yugoslav forces, formally withdrawn from the province under threat of NATO air strikes, have been redeployed since Christmas as the frequency of clashes with the guerrillas increased, and special police have been issued heavy weapons that were denied them under the promise Milosevic made.

British Foreign Secretary Robin Cook said after consultations with US Secretary of State Madeleine Albright that the allies would demand that Milosevic suspend the units responsible for the executions - a demand observers believe he is unlikely to meet.

"We know from our observers that some of the victims are women, there is one child and many of them were old men, and they were all unarmed. It will not stand up as a defense that they were members of the Kosovo guerrillas," said Cook.

The international tribunal carrying out an investigation on war crimes in the former Yugoslavia must be allowed to investigate what is clearly in anybody's definition a war crime," added the British Foreign Secretary, Louise Arbour, the UN chief war crimes prosecutor for the former Yugoslavia, will begin investigating the massacre yesterday.

Francis ethnic Albanians telephoned NATO headquarters on Saturday asking the alliance to save them, but Kosovo Albanian media say they are cynical about the chances of strong NATO action.

NEWS

in brief

Blast leaves US Moscow embassy undamaged

MOSCOW (Reuters) - A small explosion slightly damaged a car and a police sentry box outside the US embassy in Moscow yesterday, witnesses said. Russian police at the scene declined to comment on whether anyone had been injured or to say what caused the blast, which appeared to have been centered in the rear of the car.

UK to reconsider Pinochet immunity claim

LONDON (Reuters) - Seven of Britain's most senior judges today begin rehearing Augusto Pinochet's claim that he is immune from prosecution outside Chile on charges of murder, torture, and kidnapping.

If they find in favor of the former dictator, he will be whisked to a military airfield where a Chilean Air Force plane is on standby to fly him back to Santiago. But if they rule against him, a flurry of appeals will undoubtedly follow and the 83-year-old could find himself an unwilling guest in Britain for many months to come.

Taliban offers amnesty to foes

ISLAMABAD (Reuters) - Afghanistan's Taliban movement yesterday offered an amnesty to its foes on the occasion of the festival of Id al-Fitr, marking the end of Ramadan, if they join the ruling militia and cease hostilities. Taliban-controlled Kabul radio, monitored in Islamabad, quoted Taliban supreme leader Mullah Mohammed Omar as saying that opposition fighters would be given safety guarantees if they joined the militia.

Hundreds protest a Belarus-Russia union

MINSK (Reuters) - Several hundred Belarusians marched yesterday in the former Soviet republic's first officially authorized protest against recent moves towards closer union with Russia.

More than 300 opposition supporters gathered in central Minsk under banners reading "Independent Belarus" and calling for the resignation of President Alexander Lukashenko, who has assumed sweeping powers since a 1996 referendum.

US, N. Korea set fresh nuclear talks

GENEVA (Reuters) - The US and North Korea yesterday agreed to talk again next weekend about access to a controversial site in the communist country, after apparently failing to make headway in negotiations this weekend.

Neither side would make any comment on substance at the end of several hours of talks on Saturday and yesterday, alternating between the US and North Korean missions in Geneva.

Farmer executed in China for Statue theft

BEIJING, Jan 17 (Reuters) - A farmer was executed in China on Friday for stealing a priceless statue of Buddha two years ago, Xinhua news agency reported. In a report late on Saturday, Xinhua said Gao Yunliao was executed in the central province of Henan. He and three accomplices were alleged to have pilfered the one-ton statue from its stand in the famous Longmen Grottoes in March 1997. Gao's accomplices received prison sentences, it said, adding that the statue had been restored and was back on display.

At least 1,876 people were executed in China in 1997, more than the rest of the world combined, according to Amnesty International.

Australian nanny stands trial for baby murder

LONDON (Reuters) - An Australian nanny accused of shaking to death the baby she was caring for goes on trial in London today in what is expected to be an emotional case echoing that of British au pair Louise Woodward in the US. Louise Sullivan, 27, denies the charge that she murdered six-month-old Caroline Jongs, who died of brain damage last April, four days after being rushed to a London hospital.

Sullivan had been employed by Dutch-born financiers Marcel and Muriel Jongs to look after Caroline at the family home in north London since the baby was one month old. Caroline was an only child.

Blair set to unveil plan to reform Lords

LONDON (Reuters) - British Prime Minister Tony Blair's government will set the stage for a major constitutional battle this week when it unveils plans to strip hundreds of aristocrats of their right to sit in parliament.

The government will publish a bill taking away the political privileges of the so-called hereditary peers - princes, dukes, marquesses and barons, and simultaneously set up a Royal Commission to devise a plan for a reformed second chamber.

Lords' reform has gathered dust in the "pending" tray of British politics since a burst of constitu-

tional change pushed through by a Liberal government some 90 years ago.

But now Blair is brushing away the cobwebs, putting reform of the unelected second chamber on the agenda for the first time since the 1960s.

His appetite for reform has been whetted by a series of defeats inflicted by the inbuilt Conservative majority in the House of Lords.

It has no power over spending but can delay or amend other legislation. Supporters say it is essential as a revising chamber in a system heavily weighted towards the executive.

Though there are in theory nearly 1,300 members of the Lords, including members of the royal family and Anglican bishops, in practice fewer than half are active members.

Conservative hereditary peers make up around 300 of the members on the plush red leather benches. Labor has only 17.

Among the 500 life peers, first created in the 1950s, the numbers are more even, but Blair is convinced he has an open and shut case for fulfilling his manifesto pledge to remove those who owe their places in the legislature to an accident of birth.

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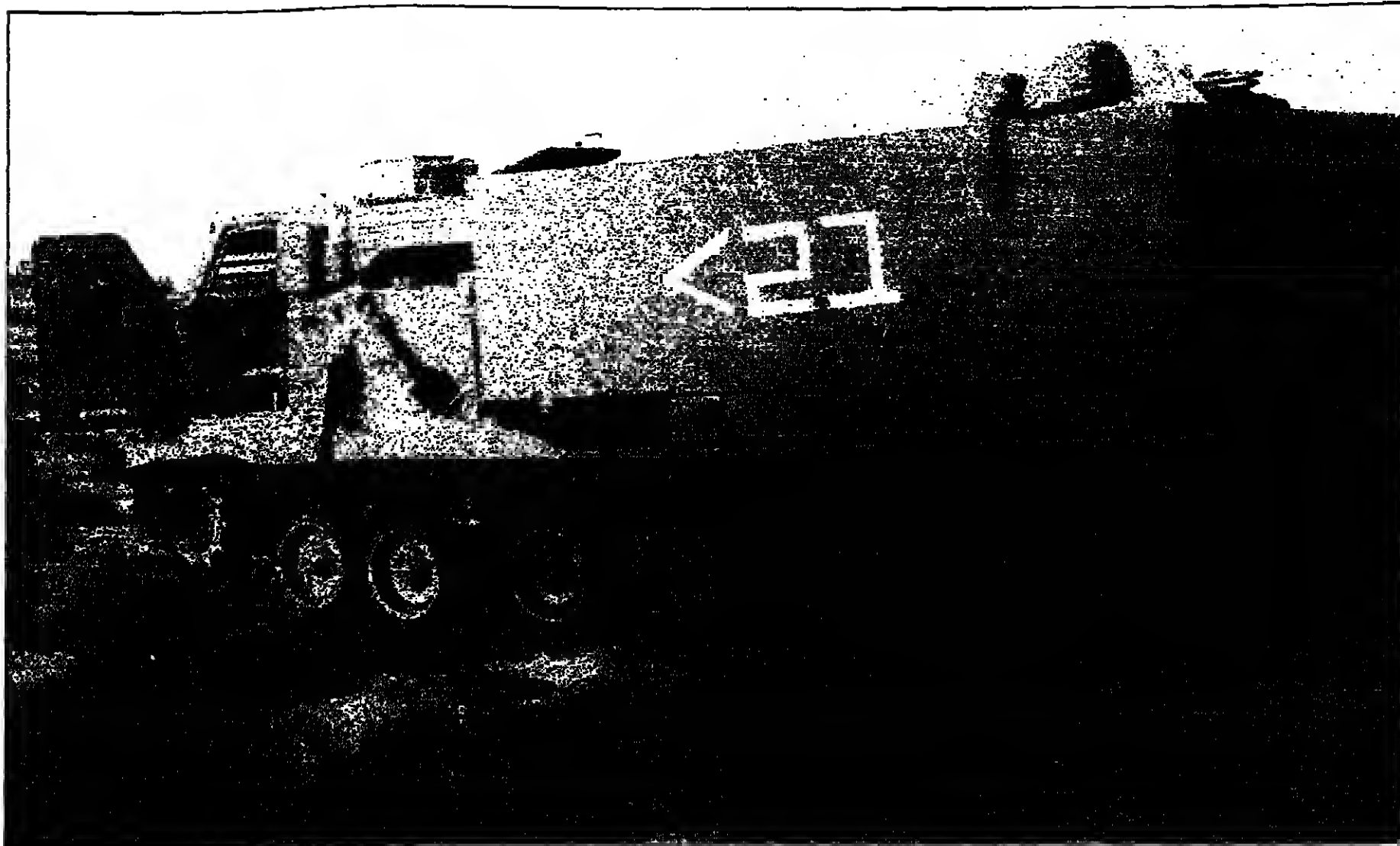
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Mr. Efraim Ben-Haim
 Mr. Yeha Eguon
 for their contribution in enriching the life of society through a contribution or work in the fields of art or philosophy.

The award ceremony will take place today, Monday, January 18, at the Knesset in the presence of the Speaker, Mr. Dan Tichon, MK.

Entrance by invitation only



Multiple-Launch Rocket System – a powerful response the generals prefer not to talk about.

(Arieh O'Sullivan)

More than a fancy rocket launcher

The IDF has high hopes for its MLRS rocket system, which widens the technology gap between Israel and its foes. Arieh O'Sullivan reports

Syrian armor pours through a breach in the border: Syrian artillery pounds Israeli forces. The radios at divisional headquarters squawk with reports and instructions to head off the onslaught.

Suddenly, technology comes to the rescue: The IDF's advanced Multiple-Launch Rocket System (MLRS) starts eliminating the enemy targets, one by one.

"In this exercise, we are simulating a Syrian attack on the Golan Heights," says artillery regiment commander Col. Yoram, at a recent exercise held at a Negev firing range.

It is for precisely this scenario that the IDF started procuring the MLRS four years ago.

Outgunned five-to-one on the Golan, the army sees these high-tech rocket launchers as its main answer to the 2,200 cannons in the Syrian arsenal.

The IDF has great confidence in the MLRS. During a time of tension along the Golan Heights last year, one general in the North boasted that the MLRS units "will know how to deal with most of the Syrian artillery."

Col. Yoram, who commands an artillery brigade that includes the MLRS units, is a bit more modest. But his prediction of the damage he would do the Syrians was censored.

THE MLRS is more than just a fancy rocket launcher. It is the manifestation of the growing technological gap between the IDF and its traditional foes, like Syria.

This is something Israeli generals and defense officials don't like to talk about, since they'd prefer to

perpetuate the image of the IDF as a *Shimshon der nebechdiker* (Samson the weakling), a line that ensures a heavier flow of funding.

This year, the defense establishment expects to receive about NIS 36 billion.

It is taboo to speak openly of Egypt's vastly modernized military as a threat, since we are technically at peace with the Egyptians. But privately, most IDF commanders also look at our southern neighbor with concern.

ON the ground the IDF is generally outnumbered by its potential foes, since most of the IDF's divisions are reserve-based.

Until 1982 – in other words, during all previous wars fought between Israel and its Arab foes – conflicts were fought with comparable equipment.

In many cases, in fact, Arab tanks, artillery, and other weapons were superior to the IDF's.

The common assumption was that IDF ground forces were two to three times as effective as their Arab equivalents – that is to say, that Israeli soldiers were two to three times better than Arab ones, mainly due to better leadership, training, and tactics.

But as the 1991 Gulf War demonstrated, technology has had a dramatic impact on the Middle East battlefield. And this swings the pendulum heavily in Israel's favor.

According to *Jane's Intelligence Review*, even the lowest-quality tanks among the IDF's 4,600 – with their night-vision systems, digital fire control and advanced munitions – are superior to the vast majority of Arab tanks.

Jane's predicts that direct-fire engagements would be "little more than live-fire exercises."

The review says Israel has over 1,200 medium and heavy self-propelled artillery pieces, while in general, Arab armies remain dependent upon towed artillery. Moreover, the Arabs don't have the command, communication, and control (C3) assets of the IDF, assets which increase the IDF's combat effectiveness four to five times.

Syria has some 1,630 pieces of towed artillery and another 450 self-propelled cannons. It also has about 480 rocket launchers and 26 Scud B and C launchers with about 1,000 warheads, according to *Jane's*.

According to an IDF general, the entire Golan Heights is covered by Syrian artillery, with scores of artillery battalions located there.

The IDF lacks the cannons of the Syrians; but it has the MLRS.

THE IDF paid for the US-manufactured MLRS, made by the Loral Vought company, with funds from the US's \$1.8 billion annual defense grant.

The initial purchase, in 1994, included six launchers, 726 tactical rockets, and 720 practice rounds – worth \$15 million, *Jane's* said. The following year 42 more launchers were bought.

Brig.-Gen. Eval Giladi of the Planning Branch confirmed that the IDF has 48 launchers, split up among a number of units.

Each training round is relatively expensive, and only a limited number are fired annually. The IDF's rounds are made up of a cluster warhead, which drops 644 "grenades," the aim of which is to inflict casualties and not necessarily destroy equipment.

"If we hit a target with 12 missiles, that's about 7,800 grenades going off," said Col. Yoram. "If you cause casualties, it means they need to devote more soldiers to evacuating and treating wounded, and that paralyzes them."

The US has developed a warhead which breaks up into bomblets, each capable of homing in on an enemy tank or armored vehicle. The Germans have a rocket which lobes mines deep behind enemy lines (up to 30 kilometers) that can be timed to go off as needed.

Col. Yoram said that the IDF has not yet purchased such weapons.

"It's all a question of money. We'd like more, but there is no money. More batteries would be about the price of two new jets [\$200 million]."

War isn't cheap," he said, as he monitored the recent exercise.

Suddenly, the battalion command center came under "incoming artillery fire."

Orange smoke grenades were tossed to simulate an attack, and, within minutes, the crews had moved on to safer ground and resumed the counterattack.

LIKE every branch of the IDF, the artillery also has its "elite" units, which it promotes to attract conscripts. Artillery has never brimmed with volunteers, and most soldiers have found themselves pressed into service there.

But the introduction of the MLRS units has changed the picture somewhat, according to a very senior artillery commander.



Chief of Staff Shaul Mofaz visits an MLRS base last week.

(IDF Spokesman)

"I heard about the MLRS from a friend who was in the unit, and I wanted it because it uses computers and other sophisticated systems in a field unit," said Sgt. Nimrod Ziv of Yavne, as he watched mechanics attempting to fix a hydraulic problem in his launcher.

Nearby, the crew of Sgt. Dan Rimmon's launcher contemplated the number of the covered missile-tube coverings they have collected.

"I've got four," said the shaggy-haired Rimmon, explaining that each one represented a practice round he had fired in his two years in the army. "We hang them up in our barracks."

Initially, the IDF sent its MLRS crews to the US for training, but that stopped about two years ago, thus actually eliminating one of the reasons Rimmon opted for the artillery corps.

"I still wanted to be in an elite unit and asked to be posted to the MLRS battalion," he said.

Rimmon does not feel technology has taken over, saying their job is not just to press the "arm" and "fire" button, but to maneuver the launcher into shooting positions, evade incoming fire, and fix any malfunction.

"The MLRS allows us to fire from very long ranges at a wide variety of targets," said Col. Roman, a commander of a reserve MLRS unit.

"The weaponry is very sophisticated. The ammunition is very accurate and deadly."

"Everything is computerized, with a lot of sophisticated electronics. To operate it you need highly trained people."

Fighters in the MLRS units perform routine security duties as well. But it's a small country, and the troops can be quickly summoned to their launchers.

THE MLRS works against enemy artillery like this: The IDF's counter-battery radar system elec-

tronically locates the site of an enemy cannon, based on its rounds trajectory.

It quickly shuttles the information to the MLRS battalion commander and directly to the launcher itself. The launcher then programs itself to return fire.

"The 155 mm. cannons can do this too, but it takes them longer because the flow of data is not direct. On the MLRS, the soldiers don't have to punch in the quadrants. Everything is computerized and automatic," Col. Yoram explained.

The system is based on a global positioning system (GPS), a satellite navigation system. Senior artillery commanders dismissed the idea that this could undermine the apparatus, saying they don't foresee any failure of the electronics during a war.

To make the MLRS more effective, Israel is developing a hyper-accurate rocket. It has a range of 32 to 45 kilometers for its guidance system, which makes it better than the Americans'.

The in-flight control provides a greater level of accuracy, meaning that fewer rockets are required to neutralize a given target. It increases the number of missiles per battery, and makes it more economical.

Roman said the IDF has basically adopted the US Army doctrine on operating the MLRS, but has added its own Hebrew-language computer software.

"The Syrians saw [the Americans use it during] the Gulf War, and they know we have it," said Col. Roman. "I hope they are scared of it. But I can't say how that's affected their doctrine."

"They aren't stupid. They aren't going to put their artillery where they know we know they might put it."

"But," Roman added, "our MLRS will know how to deal with most of the Syrian artillery."

'Les Miz,' as only in Israel

If you've seen *Les Miserables* anywhere in the world, I guarantee it was nothing like the performance I saw on Wednesday.

The kids of Beit Hillel were putting on a fine show at Hebrew University on Mount Scopus, when something happened.

It's always interesting to see how performers react when things go awry, and boy, things did.

We had just settled into the second act. The students, doing a story about students, were getting through the program very nicely, and the sold-out audience was lapping it up.

They had just finished the song, "Drink With Me." At that moment, according to the synopsis, "the students settle down for a night on the barricades," and the lights went out.

Nice touch, I thought. But the director had nothing to do with it. The Electric Corp. did it, unaware that there were several hundred people in the hall.

Cops... and uh-oh. This sort of mistake can be deadly. At the very least, a night of entertainment aborted in the middle will usually send everyone home upset, or disappointed. But not tonight. Like I said, something happened.

Not Page One



Sam Orbaum

anxiety – but there was complete calm as voices rose up, in Hebrew. "And the important thing, the important thing is not to fear, not to fear," they sang, rousing, from the hitting melody "Geshet Zar Meod" (A Very Narrow Bridge). Then followed a ruckus version of "Adon Olam," "Jerusalem of Gold," and a medley of Carlebach favorites.

Notably, these were mostly foreign students, and largely secular, and the songs were Israeli and traditional. That says something about the state of Judaism in the Diaspora. Early, the students were scattered in front of, and upon, the barricades, the fateful symbol of the 1832 revolt, and too meaningful to

as well. Against this dramatic backdrop, they linked arm in arm, and swayed hypnotically while they sang. Several actors leapt up and, still in period dress, started dancing. The pianist easily switched from the planned program to the off-the-cuff one.

There weren't even emergency lights to cut through the pitch-black last three candles, on stage, glowing barely brightly enough to illuminate a few dozen faces, all of which were clearly enthralled by the unexpected experience.

Victor Hugo would not have believed it. Though I'm sure Shlomo Carlebach would have

The cast suddenly started to sing, which is what they'd been doing for a couple of hours until then, but they weren't singing about Paris, 1832. They sang about Jerusalem, 1967.

It was perfect timing, actually. At that point in the play, 45 of the cast of 50 were on stage. The coffeehouse scene easily transformed into a *kumtza*.

For about 20 minutes, they burst into an utterly impromptu set of Jewish favorites, and, naturally, the audience, joined in, loudly and lovingly.

That's Israel for you.

"Huh. In New York, if this happened, there'd be bedlam," said my companion, Andy Robinson, temporarily in Israel for medical treatment. "His wife, Jill, was awed. They went from singing about sweet Jesus, in the play, to songs about Hashem. It was beautiful, so spiritual."

THE producer, Hannah Strasser, was sitting with the lighting technician when the switch was pulled. She lit into him, but then came a call from the cast room: "Is it dark-up there too?" the stage manager asked sweetly.

Hannah realized she had a big problem on her hands. As she frantically sought information about what had happened, and what to do about it, the inexperienced student actors swiftly allayed any possibility of panic.

There were many children in attendance – and at least one adult grappling with darkness

Victor Hugo would not have believed it. Though I'm sure Shlomo Carlebach would have. Hannah, who looks barely old enough to babysit (she'll be 21 on Thursday), had crowd control perfectly in hand.

When it became clear that the lights – and air-conditioning – would not resume for quite some time (someone from the audience hollered "We'll wait!" and a good-natured cheer went up), she commanded everyone to stay seated; they would perform one more (scheduled) song, and then the hall would be evacuated row by row.

The ensemble repeated "One Day More," passing the flickering candles back and forth to whoever was soloing. The effect was wonderful, and the separation between players and spectators seemed to disappear.

And in a way, it did, some minutes later. Helping the crowd navigate through the dark were the actors we'd just been applauding. Valjean himself helped me down the stairs.

Outside, I heard humming. That's normal after a bracing musical, but there was a distinct disharmony: there were *Les Miz* tunes like "Red and Black" mixed with what we call "Blue and White." A mélange of stage and synagogue.

My friend Andy was asked what he thought of the evening. He shook his head.

"I dunno," he said dryly. "The version I saw in London ended differently."



High-tech confidence booster: Soldiers manning the MLRS.

(Arieh O'Sullivan)

Make your week a safe one

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JOEL GILBERT

سكوا من الأصل

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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Raising the Stakes
American Pay Rattles Foreign Partners

By ADAM BRYANT

AS the global economy spawns more mergers of American and foreign companies, inequities in the pay of top executives quickly become apparent. In the spirit of compromise that marks a new marriage, the lower-paid officers see their pay rise to the levels of their better-paid colleagues — almost always the Americans — and American-style capitalism claims a little more foreign turf.

The American way of compensating top executives — with opportunity for tremendous riches from bonuses and incentives tied to a rising stock price — certainly pays better. Some experts view American-style pay as a vitamin that can jump-start the performance of sluggish economies abroad. But others see it as a virus that spreads greed and excess.

A growing number of companies are joining the experiment. When Daimler-Benz announced in May that it would acquire the Chrysler Corporation, the chairman of Daimler, Jürgen E. Schrempp, was earning much less than Robert J. Eaton, his counterpart at Chrysler, a substantially smaller company. Last week, Daimler-Benz announced a new system for paying its top 250 executives: About 25 to 30 percent of their compensation would be fixed and the rest would be in performance bonuses and other incentives.

Many companies are grappling with the issue. Last year, Bertelsmann, the German publisher, acquired Random House; Amoco agreed to a takeover by British Petroleum; Deutsche Bank made a deal to buy Bankers Trust; and Scottish Power agreed to buy Pacificorp.

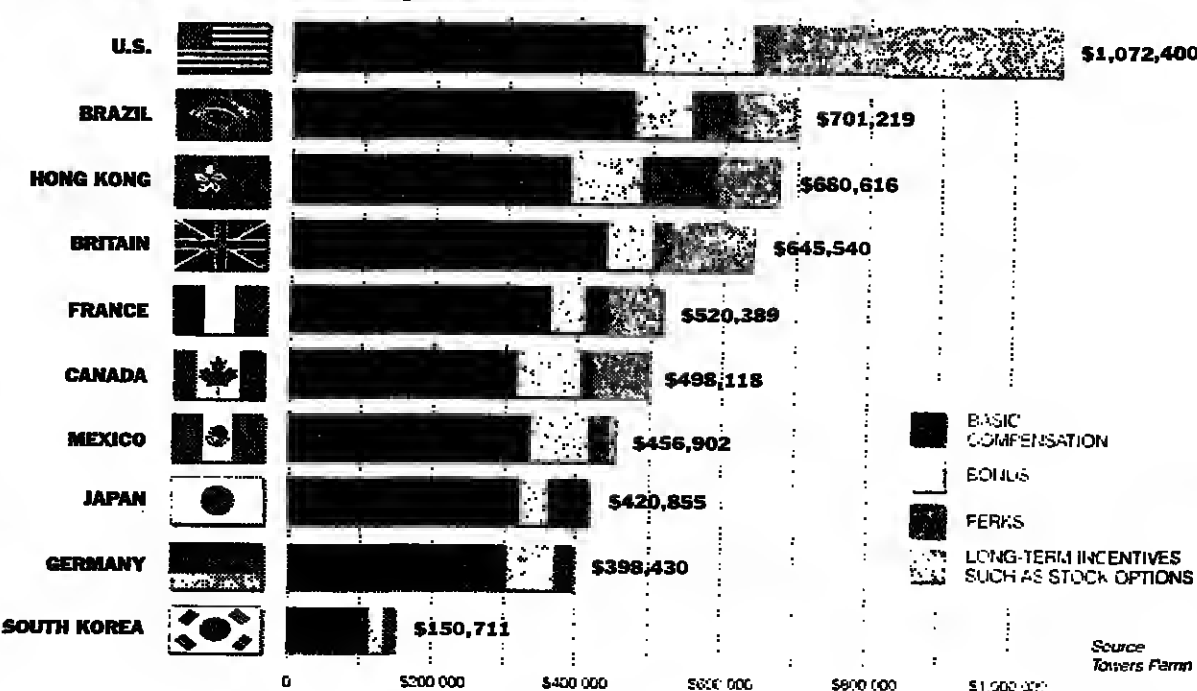
These foreign buyers generally have little choice but to adopt American ways of compensating all their top executives. Key executives from each of the merging companies expect to get roughly the same pay. Chrysler executives, for example, would quickly start job-hunting around Detroit if they were forced to take a cut.

In a sense, the richer executive payroll for foreign companies is the price of entry for joining the United States economy, where Daimler-Benz and others presumably expect to get better returns than if they had invested elsewhere.

These simple economic explanations certainly help foreign executives deflect suggestions that they may be motivated to merge with an American partner to help boost their own pay. But many consultants who advise

Global Economics 101: What Is a C.E.O. Worth?

The average annual remuneration of the chief executive officer of an industrial company with annual revenues of \$250 million to \$500 million in 10 selected countries. Figures are from April 1998 and are not weighted to compensate for different costs of living or levels of taxation.



companies on compensation matters say that many foreign executives are uneasy about the shift, even though they may benefit personally.

"There is movement, but there is resistance as well," said Robert J. Freedman, a compensation expert at Towers Perrin, a consulting firm.

Proponents of American-style pay packages for top executives say they are a big reason the American economy and the stock market have been so vibrant this decade. Executive pay is high, they typically concede.

But chief executives in the United States, like professional athletes, generally have short careers. And talented executives, they argue, can often add so much value to a company that their outlandish pay, in the grand scheme of things, amounts to a small tip.

"If you pay your management with stock-based incentives, they will be very motivated to do everything they can to get it right," said Ira T. Kay, the head of the

Continued on Page 11

The Nation

Dividing News From Sleaze in the Age of Flynt

By FELICITY BARRINGER

AN old metaphysical question asks what happens if a tree falls in a forest with no one around. Does it make a sound?

The 1999 version of the question is: If a tree falls in a forest, is it news? Does it become news only if Gerald Rivera, Larry King, Sam Donaldson, Matt Drudge, eight talk radio shows, five World Wide Web sites, four newspapers, three cable channels, two wire services and a late-night talk-show host take notice? Or, to be less metaphorical, can Larry Flynt, the publisher of Hustler magazine, get the press to give him a platform for his campaign of offering cash to anyone who can expose the sexual transgressions of a politician seeking to remove President Clinton from office?

Last week's coverage of Mr. Flynt's latest revelations showed that yes, he can get attention. But it also showed that, unless the target of his attacks responds, making news himself, self-appointed newsmakers like Mr. Flynt can't necessarily keep the press's attention very long. His accusations against one of the Republican managers of the impeachment trial, Representative Bob Barr of Georgia, flowed through the cable news programs leaving barely a trace. On Monday night, Mr. Flynt appeared on the CNBC program "Rivera Live" to report that Mr. Barr had refused to answer questions during a divorce proceeding a dozen years ago about his relationship with the woman who would become his third wife. Copies of the divorce papers were given to the host, Mr. Rivera, who displayed them on camera. The lawyer Alan Dershowitz denounced Mr. Flynt's campaign and those who would use public figures' sexual transgressions against them. The Rev. Jerry Falwell of the Moral Majority denounced sin and urged Mr. Dershowitz to stop hating people. About 1.3 million households tuned in, about 80 percent more than usual.

Then C-Span, which had planned to carry Mr. Flynt's subsequent press conference live, backed off, fearing the Hustler publisher might make charges that could get C-Span sued. And while dozens of reporters crowded into Mr. Flynt's office — the pornographer had, after all, forced the resignation of the House Speaker-elect, Robert L. Livingston, last month — the leading American wire service, The Associated Press, made only a glancing reference to Mr. Flynt's accusations, at the end of its daily wrap-up of impeachment news.

The next morning, a dozen or more newspapers ran a more detailed account distributed by the Reuters news service. The Washington Post was the only major newspaper to use a stand-alone article by a staff writer. But compared to, say, the news of Michael Jordan's retirement from basketball, the Flynt news was hardly prominent. The publisher repeated his charges on the ABC program "Good Morning America" and on "CBS This Morning"; CNN spent part of the day discussing it, but, aside from Mr. Barr's terse refusal to comment on his private life, Mr. Flynt got little reaction.

The charges were filtering through the public consciousness and made little noise. By Tuesday night, Mr. Flynt was complaining on CNN's "Larry King Live," "I think Barr's going to get away with it when he doesn't deserve to." On Wednesday, he was on the ABC News program "20/20"; its audience size was unaffected.



On the hypocrisy beat: Reporters covering Larry Flynt's coverage of impeachment.

Many of the filters that once kept such news from the American public are easy to bypass. It is now conventional wisdom that the Internet, talk radio and late-night comics provide a conduit through which half-hatched news, gossip and innuendo flow to the public. Now new kinds of grass-roots editing seems to be evolving. When people hear purportedly scandalous news that doesn't meet their criteria of newsworthiness, they don't react. Since the whole rationale for putting out scandalous news is the potential for public and political reaction, no reaction means no story.

To put it another way, the generation that is learning to invest its own retirement money is now doing more editing of its own news. "Much more is expected of the public and the viewers," Frank Sesno, CNN's Washington bureau chief said in an interview. "They get more information — they are inundated with information. There is much more responsibility on their shoulders to figure out what's real from fabricated information, or talk-

show hype from journalistic fact." In the case of Larry Flynt, Mr. Sesno said: "Whether anybody likes it or not, he has injected himself into this very ugly public discussion. Ignoring him is not an option."

THE WALL STREET JOURNAL, The New York Times and much of the public respectfully disagreed. Alan L. Murray, the Journal's Washington bureau chief, said he was content to be in "a race to be last" with sexual revelations about public figures. The Journal published a brief item on Friday describing the revelations and saying they had little impact on Mr. Barr's constituents.

Joseph Lelyveld, the executive editor of The New York Times, sent no reporter to the Flynt press conference. "This is the only area of news where I can't imagine wanting to be first," he said. When it comes to covering the sex lives of public figures, he added, "I need not just an excuse to do it. I need to be deprived of

my last excuse not to do it." The Times made a passing reference to allegations about Mr. Barr's "past" in its impeachment coverage on Thursday.

That raises the question, however, of articles like the one you are reading at this moment, which provide a convenient framework to inform readers and viewers about how information is passing through the body politic. They also, inevitably, pass on information deemed unworthy of publication in its own right, and so are widely derided as back-door ways to give the respectable press a cover for passing on disreputable information.

But the cost of forswearing all mention of rumor may be leaving the rumor unchecked, or forgoing the chance to help readers evaluate the information that comes their way.

"It is a Catch-22," said Doyle McManis, Washing-

Editors want to avoid spreading rumors. They also want to inform readers. The two goals often clash.

ton bureau chief of The Los Angeles Times, which printed Mr. Flynt's accusations at the end of a long article about impeachment developments. "By reporting the rumor you give it greater currency. By not reporting it, we have a feeling that we may not be serving our readers fully. Part of the function of the mainstream media is to sort out, verify, test and grade the flood of data we are all subjected to, and to give some order to it."

"If we ignore that large category of data that is called 'the buzz,' " he added, "then arguably we're not performing the service we promised to." The solution for his publication, he said, "is to investigate the buzz or the accusation or the rumor, and to find a way to put them in context. Which often means that there will be a two or three or longer day delay between The National Star and The Los Angeles Times."

The Star, a supermarket tabloid, was the midwife of a more salacious, false rumor the week before Mr. Flynt's news conference. For a week, thanks to its report — given front-page play by The New York Post — late-night comics like NBC's Jay Leno were making jokes about a tale that the President had an illegitimate child. Three of the four newspapers that gave the rumor any ink — The Post, The Boston Herald and The Washington Times — are no fans of Mr. Clinton. The Daily News of New York debunked it in a science article.

But it was Mr. Leno, with his audience of six million homes, who gave the bogus report its greatest reach by using it in his monologue two weeks ago. Mr. Leno says, "I don't consider myself a news source at all." And if he makes a mistake, he said, "I don't mind apologizing." Which is what he did during last week's monologues, three times over.

Raising the Bar

Testing the Competence of Competence Testing

By JACQUES STEINBERG

PUBLIC opinion surveys show that most Americans want to know, in a systematic way, how well their children and their children's teachers are doing in school. So many states have been scrambling to impose new layers of standardized tests on students, as well as on prospective teachers.

But beyond giving politicians a chance to wave the new test booklets as trophies in front of their constituents, it isn't always clear what these tests really tell us.

In New York last week, more than 200,000 fourth-graders spent about an hour a day for three days sitting for what experts consider to be one of the most exhaustive reading exams ever given to 9-year-olds. They answered multiple-choice questions, as their predecessors did, but also took notes to analyze an African folk tale about kindness and then wrote several essays. The test was based on passages they read or their teachers read to them.

Passing exams isn't always the same as success.

Aside from the jitters it set off, the state's new reading test and tests elsewhere raise questions about the difficulties of placing a yardstick against the wide range of development of students so young — and about whether their ability to deconstruct a fable, for example, is an appropriate benchmark and predictor of future success.

How much the state will learn was cast into further doubt when an apparent oversight was discovered: the test contained reading material that tens of thousands of students probably studied in advance.

Taking the measure of teachers has proven to be equally difficult.

Last spring, 3 out of 10 teaching applicants in Massachusetts failed a new four-hour reading and writing exam — a test devised after a decade of mounting political pressure. But some of the skills the applicants were required to demonstrate had little to do with teaching, including taking extended dictation — with spelling, punctuation and capitalization fair game — from a writing sample read to them from the Federalist Papers.

"The pitfalls in the Massachusetts teacher test, other teacher tests and many student testing programs is that policy makers



A fourth grader in New York City after taking a new statewide test last week.

are loading more weight onto these tests than any human contrivance can bear," said Professor Walter Haney, a senior research associate at the Center for the Study of Testing at Boston College.

"For young children, trying to hold students to a common test standard ignores much that has been learned about the variability of human development," Professor Haney said. "For teachers, trying to test teachers' basic skills as a way of improving teaching in the classroom ignores considerable research that suggests that incompetence among teachers derives not from lack of knowledge or skill but from lack of care

and effort. That's very hard to test."

EVERY state except Iowa and Nebraska administers statewide exams to students, with 46 states testing those in fourth grade and lower, according to a recent survey by Education Week and the Pew Charitable Trusts. And 42 states give some standardized form of basic skills test to incoming teachers.

Though the student tests help states identify failing schools, New York City is among a number of districts and states considering whether to go a step further and use standardized test scores, even among students as

young as 9, as at least one factor in promoting them to the next grade and judging teacher performance.

The states that have installed new tests in recent years, including New York, Florida and Louisiana, are often following up their issuance of statewide performance and achievement standards. At the behest of parents wanting to know what the states think children should know, 40 states have adopted such standards in English, math, science and social studies. But the annual survey by Education Week, closely read in academic circles, criticizes many of these standards as vague.

New York — which asks fourth graders to "correctly use and spell words learned in all their areas of study" — received some of the highest marks from Education Week for its standards, and for the direction for the new fourth grade test.

Janet Ryan, who teaches fourth grade in Brooklyn, said she thought the state, working with the national test publisher, CTB McGraw Hill, had come closer than any strictly multiple-choice exam to approximating what she does in class. The test asks students to craft paragraphs in response to such questions as "Which lesson does the folk tale teach best?"

But with spelling, grammar, capitalization and punctuation all counting, Roz Sacharoff, who teaches fourth grade in Queens, said she worried whether her students were "proficient enough."

The disparity underscores the range in student abilities, said James Comer, a professor of child psychiatry at the Yale University Child Study Center and a longtime education reformer.

"There is great variation among children of that age — 8, 9, 10 — in their performance," Dr. Comer said. "There is literature that shows that many kids catch up by the time they are in sixth, seventh and eighth grades and score as well as others."

"Testing them early can affect their sense of personal adequacy and efficacy."

THE same might be said for prospective teachers.

John R. Silber, the chairman of the Massachusetts Board of Education, has praised the Massachusetts test, which he helped write, as fair. The Federalist Papers excerpt, he said, was read aloud three times, and slowly. But Professor Haney of Boston College said the test was hastily assembled with no clearly demonstrated link to classroom performance.

Oregon is among those states trying to find a different way to size up teaching applicants beyond the basic skills test that it gives. It believes it has found it; the state now asks teachers-in-training to design a short course for their students and then write a test to assess their students' growth.

A state panel determined that a standardized test to measure the students in each teacher's class would be impossible, since each class would be at a different stage. The panel decided, after much gnashing of teeth, that the teachers-in-training were in the best position to find a way to evaluate their students. And that was a refreshing throwback, said Del Schalock, a professor in the teaching research division at Western Oregon University.

"It is as far as from a standardized achievement test that you can get," he said.

150 من الأصل

The World

Brazil Topples Off the Verge

By TIMOTHY L. O'BRIEN

*Fall and tanned and young and lovely
The girl from Ipanema goes walking
And when she passes
Each one she passes
Goes "Aah"*

— "The Girl From Ipanema"

LIKE the sensual strains of that old bossa nova tune, Brazil enchants. And it has been attracting treasure hunters of all stripes for centuries.

From the Portuguese who colonized Brazil between 1500 and 1822 to the Wall Street money managers who made the country a darling of emerging market investors during the last several years, Brazil's economic promise is a perennial lure. But, as Brazilians like to joke, theirs is the country of the future — and always will be.

Brazil's most recent bid for economic stardom ended in disappointment last week. On Wednesday, the country devalued its currency, the real, and announced the resignation of its central bank president, as it continues to struggle with excessive debt, sky-high interest rates and fiscal austerity measures mandated by the International Monetary Fund.

In so doing, Brazil became the latest victim of the global financial contagion that broke out in Southeast Asia about 18 months ago and spread to Russia last summer. As was the case when those economies went into a tailspin, Brazil's travails touched off international concern about whether its problems will spread to Argentina and Mexico and ultimately damage the United States economy.

By the end of the week Brazil's stock market, showing all the effervescence of a bottle of champagne, had bubbled back up again. Even so, this huge, resource-rich country, which shares a border with every South American country except Chile and Ecuador, never quite seems to realize the gilded dreams imposed upon it.

"The quest for El Dorado has been a feature of Brazilian life ever since it was controlled as a colony by Portugal," said Larry Birns, director of the Council on Hemispheric Affairs, a research group in Washington. "Every generation there are miraculous expectations for the Brazilian economy. Brazil's financial barons have shared these dreams, but they haven't been based on economic reality."

Although Brazil is home to the world's eighth-largest economy, it is hobbled by widespread poverty and unequal distribution of wealth. And Brazilians, long accustomed to Government corruption, typically expect little from the grand economic schemes launched over the years.

Back in the 1970's, when the Nixon Administration trumpeted Brazil as the next great superpower, huge state projects sponsored by the World Bank and others were seen as one way for Brazil to tap its hidden riches. For example, the Trans-Amazonian Highway, stretching from coast to jungle, was built to exploit the wealth of the interior. But it was rammed through without regard for its impact on the rain forest or the indigenous population. And those Brazilians who migrated to the interior on the highway found largely useless tracts of land.

EVEN with such huge misuses, Brazil enjoyed relatively robust economic growth from about 1965 to 1980, when oil price shocks and the Latin America debt crisis helped bring an end to Brazil's flirtation with superpower status. Foreign investment shrank and the Brazilian Government continued to run up huge debts as inflation spiraled out of control, soaring as high as 2,400 percent in 1993, according to Jeffrey Schott, a specialist in international trade at the Institute for International Economics in Washington.

With inflation strangling the economy, the newest method for realizing Brazil's economic promise was unveiled in 1994, when the Government effectively pegged the real to the dollar. The idea was to control inflation by keeping a tight rein on the money

supply. Tight money, Government cutbacks and open markets, of course, constitute the miracle cure being peddled all over the world by American politicians and financiers. But while inflation has been brought under control in Brazil, some economists see another ill that has been overlooked time and again — wealth inequality.

DESPITE decades of economic experimentation, much of Brazil remains desperately poor. The wealthiest 10 percent of Brazilians receive about 48 percent of the country's income, according to the World Bank, while the poorest 10 percent receive less than 1 percent.

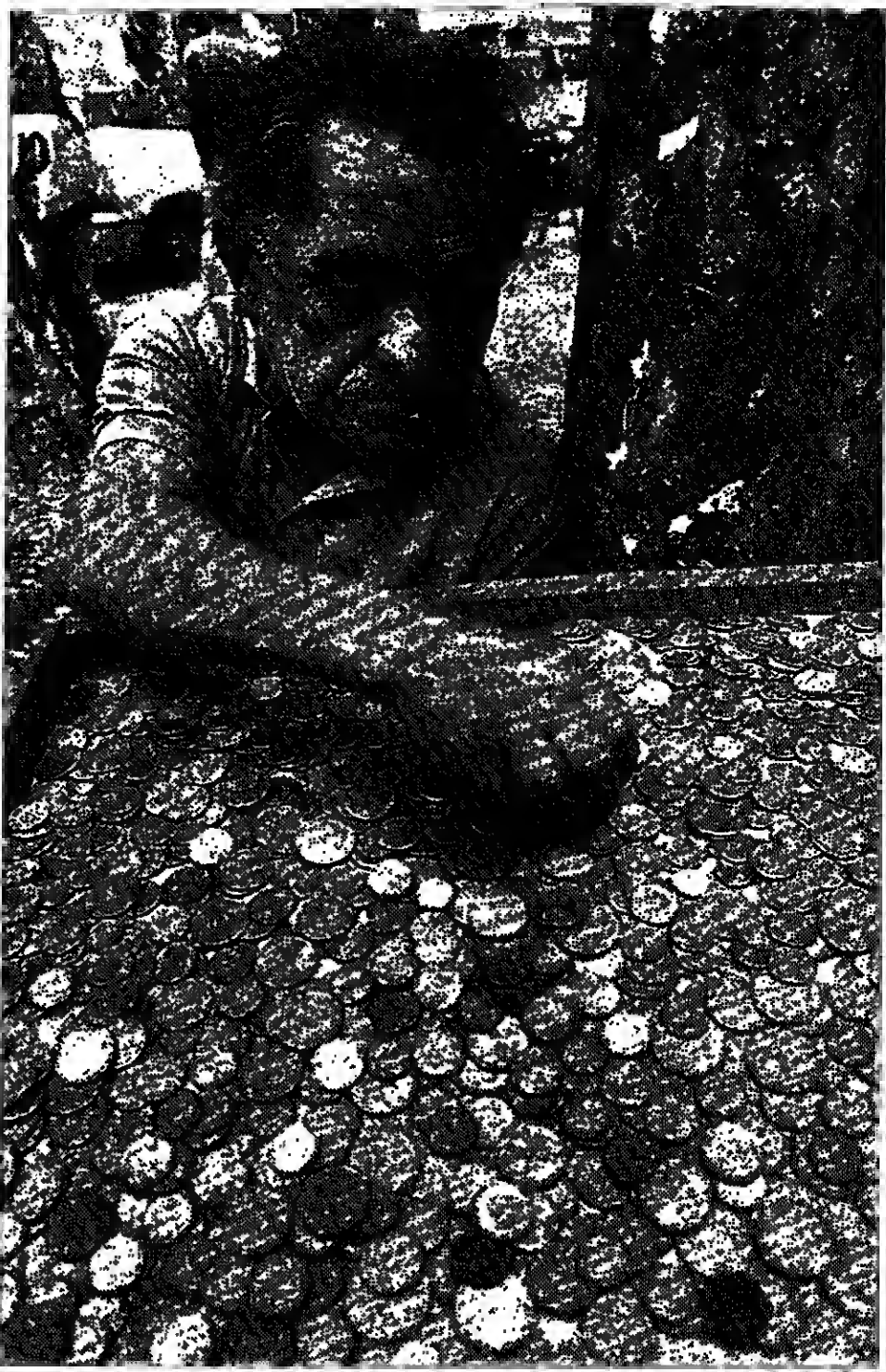
And Brazil has tied its weak domestic economy to exports and fickle overseas investors — a dangerous dependence in a world in which financial crises are quick to take hold.

"Brazil has changed a great deal superficially, but for the poor, who represent the bulk of the population, life has changed very little," said Gillette Hall, an economist at the University of Oregon in Eugene. "Economic liberalization for Brazil, as for many other developing countries, has meant an increasing dependence on world export markets and international capital flows. That in turn has left it prey to the vagaries of the global economy, which are now coming home to roost."

Brazil found itself in a corner last fall after the Russian economy collapsed. Investors fled Brazil and speculators took aim at the real. Brazil raised interest rates to defend its currency, choking domestic growth and causing its foreign exchange reserves to dwindle.

Brazil hopes that letting the real fall against the dollar will boost exports and bring interest rates down. The flip side of this strategy is that Brazilian borrowers owing dollar-denominated loans will find it more expensive to pay off debts, raising the specter of messy defaults.

So, for now, Brazil's vaunted economic promise is as it has always been. Elusive.



A street vendor in São Paulo playing his part in the global economy.

A Case of Open and Shut

As the World Takes a New Look, It's the Same Old Cuba

By LARRY ROHTER

AS he traveled from one end of Cuba to another a year ago, often with Fidel Castro at his side or sitting attentively in the audience, Pope John Paul II had one overriding message. In its most succinct form it was that Cuba "needs to open herself to the world, and the world needs to draw closer to Cuba."

Since then, the world has heeded the Pontiff's directive, often using his words as justification; even the United States took a few modest steps in that direction on Jan. 5, making it somewhat easier for Americans to send money and food to Cuba.

Mr. Castro and the Cuban Communist Party, on the other hand, have largely ignored the first half of the papal exhortation.

Early this month, Mr. Castro marked the 40th anniversary of his seizure of power with a speech in which he defiantly maintained that "the revolution has just begun." Under him, Cuba's human rights record remains dismal. Economic reforms, like those carried out by China, are stalled too; this promises only additional austerity for the average Cuban, and it has made the country less attractive to foreign investors.

After the Pope's visit, Mr. Castro freed more than 300 people held in Cuban jails, and at the time optimists suggested that the move might be the start of a relaxation. But as is so often the case when Mr. Castro is involved, there was less to the action than met the eye.

Many of those released were common criminals, not political prisoners. And many, human rights groups



Cuban schoolchildren still re-enact the triumph of the Castro revolution.

say, were freed on condition they leave Cuba, a procedure the authorities often apply against dissidents after a spell in prison.

Furthermore, 18 months after they were arrested on charges of sedition, Cuba's most prominent political prisoners remain in jail, still awaiting trial and refused habeas corpus. Felix Bonne, Rene Gomez Manzanao, Vladimir Roca and Marta Beatriz Roque, leaders of the Internal Dissidence Working Group, were jailed after publishing a document titled "The Homeland Belongs to Us All," in which they urged Mr. Castro and the Communist Party to allow "an independent and impartial legal system that would protect the liberties

and rights of the individual and the practice of political pluralism."

OTHERS, who were released after having been held on trumped-up charges, could face jail again, since Cuba's legal system continues to lack even the most elemental guarantees of due process and no effort is being made to provide such protections. Hector Palacios Ruiz, for instance, had been imprisoned for possessing "enemy propaganda." His crime was to attempt to distribute copies of a declaration Mr. Castro signed at a Latin American summit meeting, promising steps toward full representative democracy.



Cubans also still pine for relatives who emigrated to Miami.

"I do not see any will, sign or political gesture showing that the Cuban authorities are willing to move forward to make some serious progress," said José Miguel Vivanco, executive director of Human Rights Watch in the Americas. "The harassment against dissidents, human rights activists or anyone else attempting to exercise the most basic rights of association and expression continues exactly the same."

Even in the area of religious freedom, where some progress has taken place, significant restrictions remain. Mr. Castro's decision to allow the celebration of Christmas was treated by the state-controlled press as an act of revolutionary generosity.

But such gains for religion result from case-by-case negotiations, not a blanket recognition of a right to worship freely. Parish priests find many local authorities still unwilling to allow processions on the feast days of saints.

Nor has the Government offered much latitude for the incipient private sector that the Clinton Administration said its new measures are intended to help. In 1996, more than 200,000 people were officially listed as "self-employed," and Government officials were suggesting that hundreds of thousands more would be encouraged to take that course.

Since then, though, the number of people working for themselves with

the official approval of the Government has declined substantially, perhaps by nearly a quarter, and some occupations that were formerly approved for free enterprise have now been proscribed. Confiscatory tax policies have been used to drive out of business many of those who were beginning to compete with the state, like owners of small private restaurants called paladares.

"They've let everything play out, but they have not added any new openings," said Philip Peters, author of "Islands of Enterprise," a study of the Cuban private sector. "Certainly, there is no interest in letting it expand, at least not immediately."

THE obsession with control helps explain the strongly negative reaction to the Clinton Administration's limited initiative. José Luis Rodríguez, the Minister of the Economy, initially dismissed the moves as "crumbs," as if to deny their significance. But Ricardo Alarcón, head of the rubber-stamp parliament and Mr. Castro's favorite mouthpiece on relations with the United States, later described the measures as a "subversive and counterrevolutionary" attempt to destabilize the Cuban Government by going around it — "a way of manufacturing traitors."

Based on the oration Mr. Castro delivered in Santiago on Jan. 1 to mark his 40 years in power, Cubans have no choice but to look forward to more of the same. Of Cuba's 11 million people, 7 million have been born since 1959. Mr. Castro proudly pointed out in the speech. But they are led, as he also noted, by someone "who dresses the same, who thinks the same, who dreams the same" today as he did when he came down from the Sierra Maestra.

American Pay Rattles Foreign Partners

Continued from Page 9

global compensation practice at Watson Wyatt, a consulting firm.

An implicit message in this model, however, is that an honest day's pay for an honest day's work is not enough to get executives to do their best; they have to have a gold carrot dangling in front of them.

In fact, many companies, in their filings with the Securities and Exchange Commission, justify high compensation for top officers with that argument. For example, McDonald's executive compensation program, according to a recent filing, "has been designed to attract, energize, reward and retain superior talent." If the pay packages were any smaller, this language suggests, the executives would somehow be less energized, and more willing to bolt for a higher-paying competitor.

Some public companies have tried a different way.

Ben & Jerry's, the ice cream company, and Herman Miller, a maker of office furniture, used to say that there should be a limit to the gap between the highest- and lowest-paid workers (at the ice cream company, it was 7 times higher back in 1994; at Herman Miller, it was 20 times higher in 1996). But they have since tossed out these rules and joined the bidding war for executive talent.

The cult of the American business superstar, which has delivered hundreds of millions of dollars to professional managers (who, in some cases, send the tab for personal financial planning advice back to their company), has historically offended the sensibilities of people in many foreign countries, where the best and the brightest pursued careers in fields other than business.

In Britain, for example, executive pay has moved further toward the American system than most other countries. A study of the 20 largest companies in the United States and Britain by William M. Mercer, a consulting firm, found, among other things, that the base

salaries of the top American executives were 38 percent higher, bonuses were more than five times higher and the value of their stock options was incomparably higher.

"There's a lot of widespread public unease about the levels of pay in the U.K.," said Tony Groom, a principal in Mercer's executive compensation practice. Business, after all, has not historically been considered a particularly high calling there.

OXFORD University, for example, only recently built a business school, over objections from many quarters that the quest for an M.B.A. was not a legitimate scholarly pursuit.

There are many reasons why executive pay is lower in other countries. Careers and performance, for example, tend to be measured over a much longer term than in American companies. Stock options that last 10 years are called long-term incentives in the United States; many foreign companies use a decade to measure short-term goals.

There is also less jockeying for pay raises outside the United States. James A. Hatch, a partner at Arthur Andersen, recounts the story of a United States office of a Japanese company, where the American secretaries and support staff found that their Japanese bosses were soft touches for tales of personal financial hardship. Pretty soon, Mr. Hatch said, many of the workers were getting salaries two and three times those of workers in other offices.

On a global scale, the marketplace for executives remains quite skewed. But even with pay rising for foreign executives, it seems unlikely that it will catch up to American levels, which are setting new records every year.

"The notion of closing the gap is laughable," said Graef Crystal, editor of the Crystal Report, a newsletter on executive compensation.

"When you're 200 laps behind and driving a supercharged Audi, how do you catch up with an American car with 5,000 horsepower?"

Ideas & Trends

They're Sort of Like Mike

By CAITLIN LOVINGER

FOR some people, life without Michael Jordan is unthinkable. But although Jordan retired from the Chicago Bulls and the game of basketball last week, there's still a Michael Jordan of bull riding. Even a Michael Jordan of real-life bulls.

No sport is too obscure to have its legions of coaches, fans, opponents, writers and publicists ready to crown a king. In sports, there's only one king: Michael Jordan.

Terje Haakenson, a Norwegian, executes moves on a snowboard that nobody had ever seen before, so he's dubbed the Michael Jordan of snowboarding — in every interview

and article on him. The Australian batsman Steve Waugh wins championships everywhere he plays. That makes him the Michael Jordan of cricket. Doubt it? Check out his ovals clippings. Jorge Campos isn't necessarily the world's best soccer player, but he can't go anywhere in his country without being recognized. To his publicist, that makes him the Michael Jordan of Mexico.

It doesn't work with every sports. Olympic gold gave the freestyle skier Jonny Moseley so much cachet that he doesn't need anybody else's famous name.

Even Jordan isn't always Jordan. The last time he retired, to play baseball, the Chicago Bulls' owner, Jerry Reinsdorf, called him the Babe Ruth of basketball.

So here's a guide to the Jordans still at work. Meet the Michael Jordan of ...

Rodeo bulls: Bodacious

Anointed by: The Terry Bradshaw of football, Terry Bradshaw, in 1997.

Claim to the name: Bo's utter dominance on the rodeo circuit amounted to being ridden for the full 8 seconds just 7 times in 135 attempts. ("Those were his off days," said his owner, Carolyn Andrews.)

M.J. move: Just as Jordan specialized in long-range, fourth-quarter darters to the heart, Bodacious performs an acrobatic maneuver with his horns known as "checking the oil," best described as near-disembowelment and guarded against by would-be busters wearing bullet-proof vests and catcher's masks.

Sponsors: Even M.J. might learn a lesson in active retirement from Bodacious, who lumbered from his arena over three years ago but now can be found on belt buckles, videos and engraved silver lids for snuff boxes. He's also around — in essence — in about 1,000 vials of seum that

are sold each year at \$300 each. And he makes appearances (behind a double fence) at about 25 rodeos a year. He's to appear on Feb. 9 on the Fox television network's "Guinness World Records: Primetime" as the "meanest, baddest bull in rodeo."

Rodeo riders: Ty Murray

Inherited title from: Tuff Hedeman, a bull-riding hall-of-famer who was almost destroyed by — you guessed it — Bodacious. Hedeman had been dubbed Jordan by an admiring public, due to his dominance. When he retired, he gave Murray, as heir to his crown, the moniker as well. Murray had previously been known as "Puddin'."

Claim to the name: More money and titles than any bull rider in history, a feat Murray attributes to two Jordanesque traits, "guts and endurance." Murray also holds seven world titles for best all-around cowboy, another record, and a testament to his versatility.



Clash of the Jordans: Bull beats man. Murray never did last eight seconds on Bodacious.



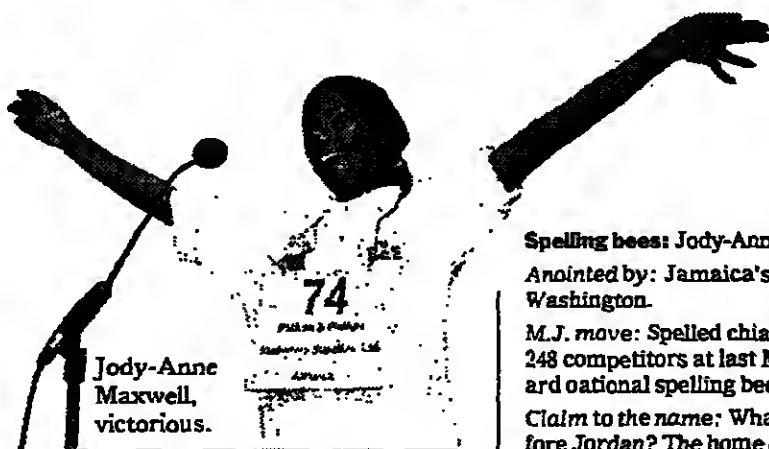
Sang Chun Lee.

Three-cushion billiards: Sang Chun Lee

Anointed by: Bob Grasmich, a columnist for The Sacramento Bee, who said Lee was like Jordan, only better, after watching the Korean win last year's United States Billiards Association championship. Lee has been unable to shake the moniker since, although Mr. Grasmich freely admits, "I bet he doesn't know who Michael Jordan is."

Ephemeral Jordanesque quality: Lee, who plays in a tuxedo, is the master of swank on the billiard circuit, which might be sartorially an even tougher crowd than the world of hoops. They say he's got ice water in his veins, too.

Claim to the name: With nine consecutive national championships under his belt, Lee has consistency down pat; his specialty is executing impossible carom shots, which involve mathematical formulas and precision to a millimeter.



Jody-Anne Maxwell, victorious.

Spelling bees: Jody-Anne Maxwell

Anointed by: Jamaica's Embassy in Washington.

M.J. move: Spelled chiaroscuroist; defeated 248 competitors at last May's Scripps-Howard national spelling bee.

Claim to the name: What was Chicago before Jordan? The home of Al Capone? O'Neil Hamilton, the embassy's director of information, is hailing Maxwell, 12, as the "first chance the country has had to put itself on the map in something academic or intellectual." He hopes Maxwell might replace, say, Bob Marley in peoples' minds.

Not only did she get a parade when she went home, but in the United States, where she competed as a candidate sponsored by a Jamaican stationery company, Maxwell's booked all summer as an inspirational speaker at youth clubs, the Y.M.C.A. and the Red Cross.

Show dogs: Champion Toledob's Serengetti

Jordan with paws: Playing to the crowd and pouring it on when the stakes are high have earned her the nickname from competitors and spectators alike, says the Doberman Pinscher's handler and spokesman, Andy Linton. She's considered one to beat at next month's huge Westminster show. Linton also guarantees a better vertical leap than anyone wearing No. 23 (Jordan's number with the Chicago Bulls).



Ch. Toledob's Serengetti.

M.J. move: Freebaiting, in which the dog stands stockstill on her own while a judge inspects her physique, is a specialty. So is an uncanny ability to put on her game face just as the cameras zoom in.

Dead Man Whining

HOLLYWOOD

LET'S face it. It's hard to live on \$10 million or \$20 million a year here.

Just look at all those poor movie stars. Underpaid and overworked, stars like Bruce and Julia and Harrison and the two Toms barely earn enough to stay afloat. So who can blame them when they demand that studios pay their nanny bills while they're making a movie or hire, in some cases, full-time masseuses, acupuncturists, nutritionists and yoga instructors.

"You can tell the latest fad," one studio publicist said. "Whatever the latest fad, that becomes the latest 'ask.' Now we're all holistic. They've got to have candles in the dressing room, special smells."

Airplanes are also the latest fad. Life is tough enough for them without asking them to sit with other first-class passengers in United's Red Carpet Lounge waiting for their flight to be called.

Just ask Sean Penn.

The actor recently insisted on flying on a private jet

to Houston for a screening by the director Terrence Malick of his newest film, "The Thin Red Line," in which Mr. Penn is one of the stars. Executives at 20th Century Fox said the actor had hardly promoted the film — "He gave us two hours after two weeks of negotiation," one Fox executive said. Why give him a private plane?

But Mr. Penn fought back. After all, he prides himself on being a working-class kind of actor. He was depicted in a recent article in The New York Times Magazine as driving around the country in an Oldsmobile 88, stopping off in small-town motels.

It would be appropriate, then, if Mr. Penn flew cabin class, but the actor has such a hectic schedule, with all that driving, that there's only one answer. A private jet.

The rejection by Fox so upset Mr. Penn that he wrote the following letter, portions of which appeared in Variety last week. He sent it to an array of Fox and Phoenix Pictures executives as well as his manager and "God Almighty," who has not been seen in Hollywood for a long time.

BERNARD WEINRAUB

January 6, 1999

To whom it may or may not concern at 20th Century Fox, et al. (in hope that those copied will spread the word to those deserving):

The purpose of this scratchpad communiqué may well be as much to amuse you or inform you. Clearly, its less than humble writer has found grounds for amusement in its cootoot.

In my continuing effort to support our shared entity, "The Thin Red Line," I have yet again run into another of the endless bureaucratic hurdles that your company relentlessly plants in my path. As a result of Terry Malick's invitation, I made plans to join Terry in supporting the film's screening, and ultimately its profile in Houston. As I have two movies, two children and (as each woman is at least two people) two wives presently in distribution, my schedule is rather hectic. I therefore requested that Mr. Murdoch's gigantic corporation might be so generous (with the money they've earned exploiting the pain and suffering of myself and my peers in their tabloids) as to supply me with a private jet to travel to Houston.

The response was a clear NO.

Two things were cited: 1) The \$40,000 cost. 2) Policy. As to number 1, we at my tiny little San Francisco office went ahead and priced the cost of such a jet ourselves. In fact, it came to \$16,000, which we had offered would be divided by two, as Fine Line Pictures had already committed to pay half (I would do an interview on behalf of "Hurlyburly" while I was there). Next we priced the commercial fare somewhere in the area of \$2,000. The final cost differential to Mr. Murdoch's pool-heating expenses A WHOPPING \$6,000 which, against the price cut I offered in my deal to act in this movie, seemed equivalent to the fair market price (vulgar reference to Mr. Murdoch). Next comes policy, the number 2 reason cited us in denial of our request. Evidently this is a word prized by Mr. Murdoch's company as I ran into it before when Mr. Malick requested that I be given an opportunity to view a videotape of the movie prior to this locking the print. I think we all know what a shameful little dance went on there, with wasted time, wasted money in the name of a policy. Has anyone at 20th Century Fox considered that it might not be my policy to do 7-figure favors for multi-national corporate interests as I did when I took the salary you paid me on "The Thin Red Line"?

Bottom line is... our policies collide. Good luck with the picture.

P.S. I know you guys don't remember what the inside of a commercial airline terminal looks like, but if you send me a picture of your jets, I'll send you a picture of the door at the Red Carpet Room. Wish I could've been in Houston. It's a beautiful movie and I'd like to have helped spread the word.

P.P.S. If my name is unfamiliar to you, you can check your computers under Movie Buff. I believe they consider me to be someone with a career.

Best,

Sean Penn

cc: Rupert Murdoch, Peter Chernin, Bill Mechanic, Laura Ziskin, Tom Sherak, Mike Medavoy, Terry Malick, Brian Gersh, God Almighty, Eli Canadensis

The Trial May End, But the Trials Will Go On

Continued from Page 9

Senate trial is still that the President will not be forced from office, but will face some form of censure.

Mr. Starr and his staff are watching the trial closely. If, as part of a censure deal, the President admits that he lied under oath — something White House advisers say is unlikely — he could be criminally prosecuted for perjury. Although indictment of Mr. Clinton has been considered unlikely until after he leaves office, one of Mr. Starr's legal advisers, the law professor Ronald Rotunda, believes that nothing in the constitution bars the indictment of a sitting President.

CHARLES G. BAKALY 3d, a spokesman for the Independent Counsel's Office, would not comment on any indictment speculation, including a report in December by CBS that Mr. Starr had ruled out a deal that would free the President of future criminal liability if, during censure negotiations, he admitted perjury. The report was attributed to anonymous friends of the Independent Counsel.

Last fall, during a breakfast with reporters at a Washington hotel, Mr. Bakaly said he expected the Independent Counsel's Office to be in business for two more years. Now he says he has given up predicting when the office will finish its business.

Actually, the investigation has a life of its own. The only person who could remove Mr. Starr is Attorney General Janet Reno, and that is all but unthinkable for political reasons. And even if she did remove him — or if he resigned — the work of the office would continue until all trials and appeals were completed and final reports written on all matters under investigation.

"The office is seeking to conclude the investigative phase and matters it was assigned to by the special division as quickly as possible, and then complete any prosecutions that arise from that," Mr. Bakaly said last week.

While Mr. Starr has stayed offstage since his marathon testimony before the House Judiciary Committee in November, he has hardly vanished from the scene. And the President is not the only one still in Mr. Starr's line of sight. If the Senate calls witnesses, Mr. Starr's staff will review their testimony to see if it squares with what they told his grand jury. And if witnesses veer too far from what they told the grand jury last year, they, too, could face perjury charges.

Ms. Lewinsky, who became a cooperating witness for Mr. Starr's office, could find her immunity agreement revoked if she is called before the Senate and tells a different story.

On Jan. 7, the opening day of the President's impeachment trial, Mr. Starr's office sent out a stark reminder that it is still up and running by indicting Ms. Steele, one of the peripheral figures in the Lewinsky investigation. Ms. Steele's prosecution will provide yet another occasion for the President's sexual conduct to be deconstructed.

On Tuesday, Ms. Steele is to be arraigned in Federal court in Alexandria, Va., on charges of perjury and obstruction of justice arising from the Kathleen E. Willey tentacle of the Lewinsky investigation. This tentacle sprouted when Mr. Starr began investigating whether President Clinton was truthful about his relationship with Ms. Willey, a former White House volunteer who says the President groped her, and whether there had been unlawful attempts to influence her testimony in the Paula Corbin Jones sexual harassment case. Ms. Steele, a confidante of Ms. Willey, has said Ms.

Willey asked her to falsely confirm her allegations about the White House grope. Ms. Steele's lawyer said the charges against her were politically timed and without merit.

Mr. Bakaly said the case against Ms. Steele was filed when it was ready and the timing had nothing to do with the beginning of President Clinton's impeachment trial.

Then there is the trial of Ms. McDougal, scheduled to begin March 8 in Little Rock. A former Arkansas business associate of the Clintons, Ms. McDougal faces charges of criminal contempt for refusing to answer Mr. Starr's questions about the President.

Mr. Hubbell, the former Associate Attorney General who was indicted for a third time by Mr. Starr last year, is to be tried on fraud and false statement charges in June in Washington. Meanwhile, Mr. Starr is waiting a decision on his appeal of a tax case against Mr. Hubbell that was dismissed by the trial judge.

These cases could provide problems for President Clinton, especially in the unlikely event that either Ms. McDougal or Mr. Hubbell decides to cooperate with Mr. Starr. Ms. McDougal has loudly accused Mr. Starr's

Americans are weary of investigation of the President, but the probe and its tangents are far, far from over.

office of mistreating her and has said she knows of no criminal conduct by the Clintons. And Mr. Hubbell warned that Mr. Starr's prosecutors "can indict my dog, they can indict my cat, but I'm not going to lie about the President."

Still underway is an inquiry ordered last fall by Norma Holloway Johnson, a Federal judge in Washington, into whether Mr. Starr improperly leaked confidential information about his investigation to reporters.

THERE are also two open investigations involving Linda Tripp, Ms. Lewinsky's former friend whose taping of their telephone conversations set off the inquiry a year ago. A Maryland prosecutor is looking into whether she violated state's wiretapping law, and Mr. Starr's office is examining her tape recordings to determine whether any were doctored.

And administrative business remains, including the writing of final reports on other lines of Mr. Starr's investigations of the Clintons: the Whitewater real estate deal, which was his original mandate, the firings of the White House travel staff and the White House's improper gathering of F.B.I. files. In those matters, Mr. Starr told the House Judiciary Committee, he did not find evidence of impeachable offenses or criminal wrongdoing by President Clinton. Finally, Mr. Bakaly added, it will take time to close down the Independent Counsel's Office, which has been investigating the President for nearly five years.

And then there are all the appeals.

AT&T Has a Plan to Regain Its Place at the Top

By SETH SCHIESEL

THE future of the AT&T Corporation is in Room 4430G2 at AT&T's sprawling headquarters in Basking Ridge, N.J.

There are five PCs in Room 4430G2, a big-screen television and a bunch of phones. Nothing special in any of that. What distinguishes the setup is what's missing: telephone wires. All the key equipment links to the outside world through a single cable television line. And the line is providing lightning-quick Internet connections, crisp video images and, of course, a dial tone.

Simple as it seems, that ribbon of coaxial cable represents what may prove to be the most important strategic shift in decades at AT&T, the nation's biggest communications company and its most widely owned stock.

Fifteen years after the break-up of the Bell System severed AT&T's hard-wire link to United States consumers, its pending acquisition of Tele-Communications Inc., the No. 2 cable operator, will allow AT&T to again reach out and directly touch millions of homes. And trying to recreate AT&T's glory days, the company's new chairman, C. Michael Armstrong, wants AT&T to be the only communications provider its customers need.

Is that a pipe dream in an arena teeming with competition — wireless companies, long-distance companies and local phone companies, not to mention Internet providers and satellite TV services?

Maybe not. Three thousand miles from Basking Ridge, dozens of technicians in Fremont, Calif., are preparing to move Mr. Armstrong's vision out of Room 4430G2 and into the living rooms of paying customers. Soon after the merger closes, as soon as this spring, the TCI brand will start to disappear in Fremont, a middle-class suburb of San Francisco, and Mr. Armstrong's operators will be calling consumers to offer AT&T's new wares.

The pitch will go something like this:

"Hi, this is AT&T. Did you know that we can now offer not only long-distance phone service but also four lines of local service with call-waiting and Caller ID? And may we interest you in our high-speed Internet service, called At Home? It lets you download from the Internet at speeds as much as 100 times faster than you can today — and at prices comparable to what you're already paying."

The salesperson will pause to catch a breath, and then continue:

"If you don't want high-speed access, how about a more traditional Internet service, like AT&T Worldnet? And a wireless phone that includes nationwide calling for as little as 10 cents a minute? Oh, yes, we can provide all of these services on a single bill with one number to call if you have questions."

The closer will be along these lines:

"By the way, if you use any three of our other services, we would be happy to add HBO and the Disney Channel to your basic cable package for no additional charge."

By the end of 1998, AT&T intends to offer this integrated package of communications services not only in

Surrounded by Rivals

AT&T is surrounded by a wide range of communications services. AT&T's services include long-distance, local phone, wireless, Internet, cable television, and more. The company is competing with other major communications providers like Verizon, Sprint, and Time Warner.

Service	AT&T	Verizon	Sprint	Time Warner	Other
Long distance	100%	95%	90%	85%	80%
Local phone	100%	95%	90%	85%	80%
Wireless	100%	95%	90%	85%	80%
Internet	100%	95%	90%	85%	80%
Cable television	100%	95%	90%	85%	80%



Since taking over late in 1997, C. Michael Armstrong seems to have brought about change at one of the nation's most rigid corporations. But can he reshape AT&T into a lithe competitor in a fast-moving industry?

Fremont but also in another, undisclosed community in the San Francisco area as well as in Chicago, Dallas, Pittsburgh, Seattle, Denver, Salt Lake City, Portland, Ore., and St. Louis. By the end of 2000, the company intends to expand its competition against its progeny, the Baby Bells, by offering local phone service in most of TCI's other markets.

It is one of the biggest gambles in AT&T's 114-year history — a test of technology, of financial might and of regulatory flexibility. For Mr. Armstrong, it is the ultimate test of managerial prowess: whether he can reshape one of the country's most hidebound corporations into a lithe competitor in some of technology's fastest-moving sectors.

If he succeeds, AT&T will again be not just big, but also dominant, a mantle it lost because of competition from the likes of MCI Worldcom, Sprint, SBC Communications and Bell Atlantic.

If he fails? The critics will say he failed to gauge adequately the difficulty and cost of upgrading TCI's somewhat antiquated cable systems. That he did not understand the complexity of the local phone business. That he reached too far, too fast.

AT&T declined to comment, citing a "quiet period" mandated by regulators before shareholders vote next month on the TCI merger. And for now, the critics are lying low. That is because Mr. Armstrong has already seemed to make a huge change in an organization that long had seemed to be inertia's captive.

Though it lost its monopoly on phone service in 1984, AT&T never seemed able to shake off its monopoly mindset. Well into the 1990's, under Mr. Armstrong's predecessor, Robert E. Allen — whose entire career was spent at AT&T — the company continued to rely on the regulatory process to protect its core long-distance business and to keep potential competitors off balance.

"The shared belief in the company was that the single most important entity that affected their future was the Federal Government and the regulators," said Richard S. Bodman, who was AT&T's chief of strategy and business development for most of the 90's and who is now managing general partner of AT&T Ventures, a venture capital firm hacked by AT&T. "That was a contest that maybe they couldn't win, but it was a contest in which they felt they had pretty good skills and tools to play the game adequately well."

ARRIVING to November 1997, after Mr. Allen's choice as heir, John Walter, quickly lost the board's confidence, Mr. Armstrong saw things differently. At Hughes Electronics, he had presided over the transformation of a military contractor into an entrepreneurial dynamo, building its Direct TV satellite business. And under him, AT&T has begun to shed its reputation as a company that would rather lobby than compete.

"From the time that MCI was created in the 60's until Mike Armstrong, AT&T was essentially a defensive and reactive company," said Reed E. Hundt, who stepped down as chairman of the Federal Communications Commission just as Mr. Armstrong joined AT&T. "Since he

arrived, the company has been proactive, creative and aggressive."

John T. Nakabata, who resigned as chief of staff for Mr. Hundt's successor at the F.C.C., William E. Kennard, late last year, said: "It seems that AT&T has realized that they need a business solution, not a regulatory solution, to their business problem, which is that they have not had a way to touch the customer in the local market."

Of course, even as its share of the long-distance business slid and its earnings gains came to rely mostly on cost-cutting, the company always had ideas about how to grow.

Some proved disastrous, like its \$7.4 billion foray into the computer business by buying the NCR Corporation in 1991, a debacle reversed five years later at an additional cost of \$2 billion. Others were inspired, like the acquisition of McCaw Cellular for \$12.6 billion in 1993, making AT&T a national player in wireless communications, and the spinoff of AT&T's equipment operation as Lucent Technologies in 1998.

Indeed, the seeds of every major move that AT&T has made in Mr. Armstrong's 14-month tenure were planted long before his arrival. His achievement has been in getting those plans off the drawing board and into the marketplace.

TCI ACQUISITION The most important strategic move of Mr. Armstrong's tenure, the TCI deal is meant to give AT&T a high-capacity pipe into millions of homes and a leg up in striking deals with other cable companies.

AT&T had been talking to cable operators, including TCI, about various sorts of joint ventures since at least 1991. But for years those talks never went anywhere, partly because AT&T refused to promise that it would not go into competition with the cable companies by jumping into the "cable" business, whether by buying cable television networks, for instance, or even a movie studio.

It was not until 1997 that AT&T agreed to curb its media ambitions, thereby bringing the cable companies back to the table. Around Christmas that year, AT&T began having serious joint-venture discussions with carriers including TCI, Comcast, Cablevision, Cox and Time Warner, the No. 1 cable company.

Boldly, Mr. Armstrong made the key decision to acquire TCI rather than simply form a joint venture. AT&T is now close to joint-venture deals with Time Warner and wants to sign agreements with the other big cable carriers by midyear. Together, these deals could give AT&T a line into more than half the nation's homes.

TELEPORT ACQUISITION Just as the TCI deal gives AT&T a wire into homes, the \$11.3 billion deal for Teleport Communications last January gave AT&T entry into the business of providing local voice and data communications to corporate customers.

This deal was loaded when Mr. Armstrong arrived. But he pulled the trigger, adding a unit that is expected to provide billions of dollars in revenue.

OVERSEAS DEALS, WITH LIMITS Mr. Armstrong led AT&T into a \$10 billion joint venture with British Telecommunications P.L.C. All their international communications behemoth needs now is a big Asian partner — and a chief executive.

But in some ways the deal highlights one of AT&T's toughest choices. When the company decided that a big part of its future lay in the huge investments it would make to get into the domestic local phone market, it had no choice but to limit its international aspirations and rely on strong partnerships.

Previously, AT&T had been negotiating investments in Germany and France — and had been thinking about investing in Italy or building a network in Shanghai — even as it participated in loose overseas ventures.

NATURALLY, the rich benefits that AT&T stands to reap if its new strategy succeeds are threatened by a commensurate set of daunting challenges. Foremost is the competition — both from the Bells and AT&T's long-distance rivals.

As a group, the Bells — seven of them when AT&T was broken up in 1984, now consolidated to five — have more money, more customers and arguably more influence in Washington than AT&T has. Whether the Bells or AT&T emerge as the most powerful players in communications depends on timing and technology.

Both AT&T and the regional Bells know that whatever competitor is first to offer customers an integrated package of local and long-distance service in a given market stands a good chance of holding on to that customer for the foreseeable future.

The problem for the Bells is that none has yet convinced the F.C.C. that, as required by the Telecommunications Act of 1996, it has opened its local phone networks to competition enough to win entry to the long-distance market. Even as AT&T introduces local service over TCI's cables, the Bells will still have to face that test.

Bell Atlantic, the regional Bell serving 13 states from New England to Virginia, thinks it can put together a winning application sometime before the middle of this year. That would be later than originally anticipated but could still give Bell Atlantic a head start on AT&T in the lucrative Northeast.

Even then, the technology that Bell Atlantic would have to use — providing high-speed Internet access over standard copper telephone wires — appears to some analysts as less developed than the cable technology that AT&T plans to employ.

The flip side of Bell Atlantic's problem, though, is that AT&T's most cost-efficient technology for delivering phone calls over cable wires — one that uses Internet systems — is itself at least a year away. In Fremont and its other initial markets, AT&T plans to start out delivering phone calls using an older technology that could cost as much as \$900 a house. The Internet option, however, could cost as little as \$350 a house.

The costs of delivering local services to all of TCI's 10 million customers could total as much as \$6 billion, and those costs will be absorbed by AT&T's shareholders. Most analysts expect the TCI acquisition to dilute AT&T's earnings for at least three years.

There is no chance, meanwhile, that MCI Worldcom and Sprint, AT&T's two big rivals in the long-distance business, will stand still.

If he succeeds, Mr. Armstrong will make good on his bid to become a corporate icon.

"There is no guarantee that 20 years from now the AT&T's of the world will even survive," said Mark S. Fowler, a chairman of the F.C.C. in the 1980's.

"What Armstrong recognizes is that they will have to take some very bold decisions in terms of changes of direction, committing capital, changing the culture within the company. Or they may not be around."

Is There Any Logic to Stock Prices?

By GRETCHEN MORGENSON

LAST WEEK, the United States stock market looked a lot like the weather in New England, as described famously by Mark Twain: exceedingly changeable.

On Wednesday, when it was clear that Brazil was going to devalue its currency, United States stocks shrugged, the Standard & Poor's 500-stock index fell four-tenths of 1 percent. The next day, investors decided that the devaluation had grave consequences for American companies, and the S&P fell almost 1.8 percent. On Friday, when the currency was allowed to float completely — the thing investors had feared most — stocks cheered, with the S&P rising 31.07 points.

An up-and-down stock market is nothing new, of course. But the extremes in mood seem to be rising. And the gyrations last week were especially puzzling because investors had been aware of potential problems in Brazil since August.

Edward M. Kerschmer, chief strategist at Paine, Webber, said the week's wild ride was to be expected, given the market's 34 percent gain since October. "When you have a fully valued market, by definition it is vulnerable to sentiment swings," he said.

But another, intriguing explanation was offered by Baruch Lev, a professor of accounting at the Stern School of Business at New York University. Mr. Lev thinks that volatility has risen because investors are increasingly uninformed about their

holdings, thanks largely to huge writeoffs and other accounting practices that muddy financial reports.

"If you know less about the fundamentals of the company you own, then every piece of external information — Brazil or Russia — has a huge effect," he said. "If you know a lot, you can really assess that all these shocks from the outside are not really that important."

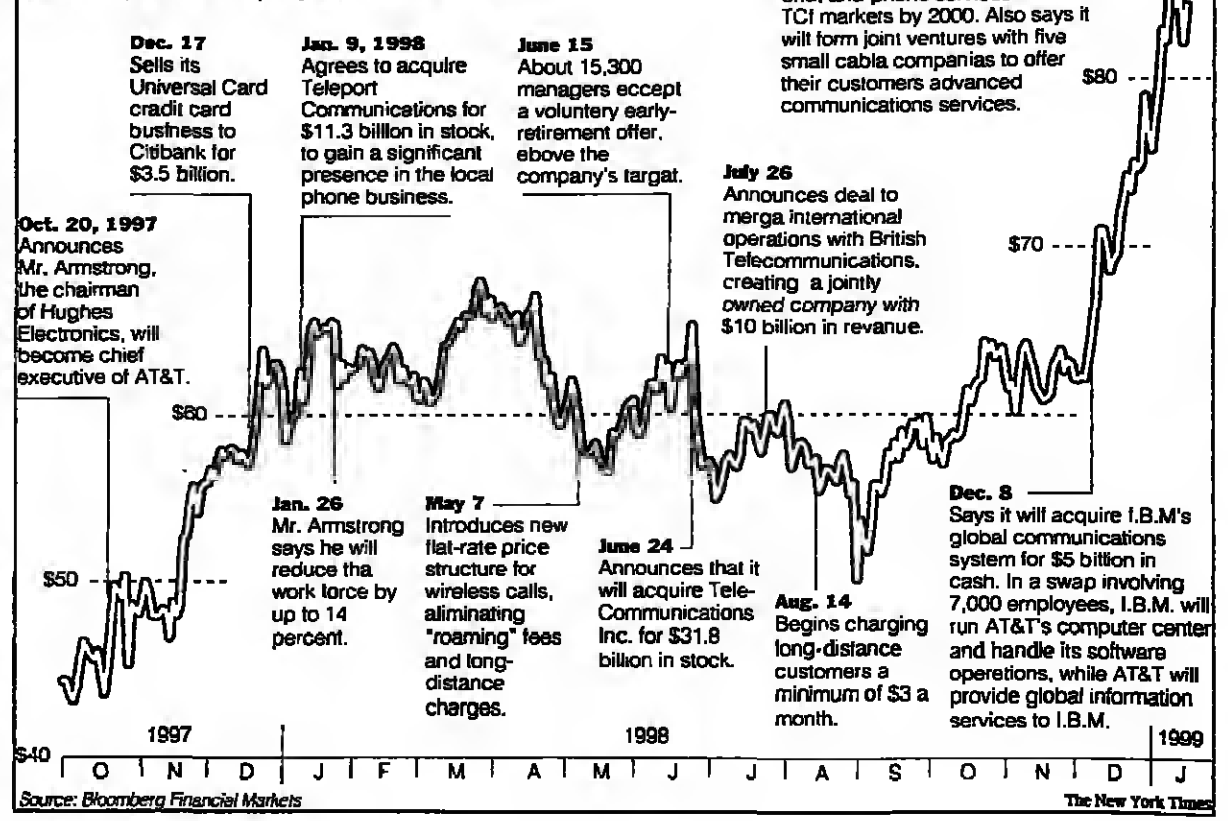
Mr. Lev has data to back up his view. In a study published last year, Mr. Lev and a colleague, Paul Zarowin, studied key financial figures — earnings, cash flows and book values — at 5,000 companies and analyzed the data's association with changes in those companies' stock prices. The academics found that over the last 20 years, the correlation has fallen markedly.

Investors still punish companies for missing analysts' estimates. Eastman Kodak shares fell 10.4 percent on Thursday, for example, on disappointing fourth-quarter results. But Mr. Lev reckons that investors assign about half the relevance to earnings that they did 20 years ago. Now, when they make their decisions, investors rely instead on information that is less quantitative and even less reliable.

This phenomenon helps explain how the most ephemeral piece of news — that a company plans to hawk its wares on the World Wide Web, for instance — results in an immediate pop in the stock. But the trend also means that external events that may have no bearing on the affected companies will continue to rock equities.

Forging a New AT&T

In 15 months under C. Michael Armstrong, its new chief executive, AT&T has engaged in rapid-fire deal making that has revamped the company and revived its stock.



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The Constitutional Test

On Saturday, the House impeachment managers shifted their arguments from the facts of President Clinton's misdeeds to the central question of whether, based on those facts, there is a constitutional basis for removing him from office. The key assumption of their constitutional theory is that perjury and obstruction, while not named in the Constitution, are so serious that they are tantamount to the offenses that are specifically named, those being "treason, bribery, or other high crimes and misdemeanors." In their most polished presentations to date, the prosecutors also argued that the Senate has a duty to remove Mr. Clinton for his "pernicious example of lawlessness" that, if unpunished, would undermine the courts and harm the Presidency for years to come.

On the standards for removal, Representative Steve Buyer insisted yesterday that "perjury and bribery are side by side" as offenses that meet the constitutional test. He reminded the senators of Representative Bill McCollum's earlier presentation showing that under Federal sentencing guidelines, perjury and obstruction of justice outrank bribery in seriousness. The prosecutors hammered repeatedly on the theme that Mr. Clinton can be removed since his offenses belong in the same category as the offenses named in the Constitution.

Representatives Lindsey Graham and Charles Canady sought to broaden the constitutional net by arguing that Mr. Clinton's continuance in office represented a systemic threat to American justice. Mr. Graham called for removal of the President to "cleanse this office." Mr. Canady scored a "dangerous and subversive" standard of conduct that would taint the courts and the Justice Department.

The presentations cut to the heart of the problem that the Senate must work out. In examining it, we can see how it is possible to embrace two propositions that appear in conflict on the surface.

Churches and Charter Schools

The slapdash process in Albany that created the state's new charter-school law without any public input was a disgrace. It is no wonder that the legislation raises difficult, unresolved issues. In theory, charter schools can offer families more choice and encourage educational innovation. But they must be created without unfairly draining resources from the public system that will continue to educate the vast majority of students and without funneling public money into religious education.

The new law allows creation of up to 100 charter schools — schools that are publicly financed but run independently by parents, teachers and community groups. Fifty of the charters will be granted by the Board of Trustees of the State University of New York, and the other 50 will be granted by the State Board of Regents and local school boards, or in the case of New York City, by the Schools Chancellor. Beyond the 100 new schools that can be created, existing public schools can under the law convert to charter-school status, and gain independence from most regulations that govern public schools.

The Board of Regents, which oversees public and private schools, is supposed to monitor charter schools to insure that they meet certain academic and financial standards. But the Regents do not have sole authority to interpret the provisions of the statute.

Some religious leaders in New York City are eager to establish charter schools on church property. That should be viewed skeptically. The law says that no charter shall be given to a school that would be "wholly or in part under the control

or direction of any religious denomination or in which any denominational tenet or doctrine would be taught." The State Constitution prohibits public funding of parochial schools. The charter law bars the overt teaching of religion, as well as the conversion of religious schools into charter schools.

But it is unclear what forms of church involvement may be permitted, and how far religious groups can go in taking advantage of charter funding. Some might try to get around the constitutional limits by setting up a secular school on church property and then providing religious instruction during off hours. Others may create a nominally secular school that nonetheless caters mostly to children from a particular religious community. But a school that is largely run by church members — even with a secular program — might well violate the law.

The convoluted statute allows the Board of Regents and the SUNY trustees to come up with separate, potentially different, interpretations of the religion question. Gov. George Pataki, for one, is taking an expansive view of what the law allows church leaders to do, so long as they do not teach religion. That may not be enough to prevent charter schools, which are supposed to be alternative public schools, from becoming de facto church schools. The more prudent course would require that all schools with church-related ties recruit students actively from outside the denomination and that the schools be run by boards dominated by community leaders from outside the church.

counting issues are not always black and white, and auditing firms frequently must decide when a client has pushed the rules so far that it has gone over the line. Auditors say privately it is harder to do that when the company is represented by a former partner of the auditing firm — one who perhaps used to supervise the partner now running the audit.

The issue of revolving-door accountants has been around for years, but the accounting industry has not dealt with it. Now, under pressure from the S.E.C., the issue is on the agenda of the profession's Independence Standards Board.

Many in the industry hope little will be done, with firms just warned to be careful in such cases. Some in the S.E.C. would like a more radical change, requiring a company to switch auditing firms if a partner makes such a move. That idea horrifies many in the profession. Auditing firms do not want to lose clients, and partners fear it would make them more difficult to get jobs when they want to leave. It would, they say, hurt everyone because of a few bad apples.

Michael Jordan, in the Leaving

To the Editor:

The discussion of Michael Jordan's singularity has focused on his will, his grace and his superhuman talent (news articles, Jan. 13). Yet how can we forget his unbridled love of the game? Jordan enjoyed playing well.

Even with his great natural talent, he worked hard at the game he loved, becoming a better player, loving the game more. He rarely wore that work heavily; instead, he exulted in the combination of preparedness and desire, and put other players to shame. He was able to play and laugh while others worked and worried. He showed us all how the pursuit of excellence could be a virtuous joy.

BRIAN BRENNAN
Pittsburgh, Jan. 14, 1999

To the Editor:

I like Michael Jordan and respect him and his accomplishments (editorial, Jan. 13). Jordan surely loves basketball, but as I watched his well-scripted retirement news conference, the movement from one life to the next seemed like minor pomp and circumstance rather than the ripping out of a life. That's not to say that retirement from sport should always be gut-wrenching, and it's not to say that Jordan shouldn't be the kind of go-for-the-goal, no-nonsense guy that he is. But it says more about basketball, the sport of business.

The National Basketball Association, however much it tries to force passion in its promotions, does not engender the same dedication to the game athletes in other sports feel — it showcases business people who simply move on to other businesses.

ERIC BLUME
Arlington, Va., Jan. 14, 1999

To the Editor:

You don't have to be a sports nut (I'm not) to appreciate Michael Jordan's astonishing grace and expertise. But I am bothered by the notion that it's important for him to quit while "at the pinnacle" (editorial, Jan. 13).

Why would it be so awful to watch him play at a slightly less great level, which would still be a cut above most athletes?

It reminds me of a jarring comment I heard after the death of Diana, the Princess of Wales, expressing the idea that it was somehow wonderful that she died at the height of her beauty. The implication was clear: We wouldn't want to see an old Diana.

All of us experience some decline physically and mentally as we age. To suggest that we should therefore stop doing activities that we love and are still good at strikes me as ageist.

and detrimental to individuals and society.
MARY LYN MAISCOTT
New York, Jan. 14, 1999

To the Editor:

William C. Rhoden ("A Very Cold Send-Off for the Hottest Athlete," Sports of The Times, Jan. 14) does us all a critical service by pointing out the distrust and coldness that accompanied Michael Jordan's retirement hallelujah.

Surely this is at least partly a product of his vexed relationship with the Chicago Bulls' management.

But I would add that part of the unsentimental coolness of his send-off is attributable to Jordan's chosen public image.

As someone who took the commercialized personality of product sponsorship to new heights of power and banality, Jordan made himself appealing but hard to get passionate about.

ERIC WERTHEIMER
Phoenix, Jan. 14, 1999

To the Editor:

Growing up watching Michael Jordan play basketball and seeing him



Christopher Neenan

retire this week has made me realize that I was one of the privileged few (editorial, Jan. 13).

While many changed the face of the game, only one was able to master it. He mastered basketball in the way that Walt Whitman mastered poetry, the way Joseph Conrad mastered language, the way that Jackson Pollock mastered art — simple yet complex. He has been a joy to watch, both on and off the court, always maintaining character above all.

Michael Jordan was, is and will be for many years to come the best player who ever played the game. And for that we owe him our gratitude.

JOHN CORPUS
San Francisco, Jan. 14, 1999

Charter Schools Must Be Given Their Chance

To the Editor:

Re Roger W. Bowen's Jan. 13 Op-Ed article about charter schools: Charter schools are part of an effort to provide greater choices to parents about how their school-age children are educated. This same choice is now provided at the higher education level. If students don't want to attend SUNY at New Paltz, for example, they may attend one of the 63 other State University of New York campuses or one of the many private colleges across the state.

It is not true that "every dollar going to charter schools is a dollar not going to public schools." Charter schools are public schools. Under the new charter school law, roughly two-thirds of the per-pupil financing follows the child to a charter school. Why school boards should keep this money for a child they are no longer educating is a mystery.

GERRY VAZQUEZ
Amityville, N.Y., Jan. 13, 1999
The writer is president, New York Charter School Resource Center.

A Living Laboratory

To the Editor:

What is puzzling to me is that many people cannot see that charter schools are a living laboratory for the larger public school system ("Charter Schools, Then What?" Op-Ed, Jan. 13).

Charter schools are independent public schools. If they do not produce the results the state calls for, they will be closed down. This cannot be done in the larger public school system.

Charter schools form their own governing councils, which can include teachers, parents, students and community members. The governing council is responsible for making the decisions about how every penny is spent. Charter schools are willing to swap bureaucracy for responsibility and autonomy.

Why not let them do the "sweet equity and then steal their ideas?"

ELAINE YOUNG
Purchase, N.Y., Jan. 13, 1999

The writer is a teacher.

Help Working Disabled

To the Editor:

Re your Jan. 13 news article describing President Clinton's proposals to help disabled Americans re-enter the work force while retaining their medical benefits:

As a wheelchair user and a severe asthmatic, I receive Social Security disability, rental assistance, and Medicare. Last year I earned my license to sell real estate, but when my first listed house sold, that one \$2,000 commission meant that my Social Security disability benefits were stopped and that my Medicare benefits were suspended.

I wouldn't mind losing my Social Security payments when my earnings begin to grow, but please don't take away my medical benefits. If the Government is really interested in encouraging disabled people to work, there are two bills in Congress right now that would help. And now the Administration has made a proposal. All three deserve support.

TYLER GREGG
El Cajon, Calif., Jan. 14, 1999

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THE JERUSALEM POST

Look at Grounds To Impeach First

To the Editor:

George J. Terwilliger 3d (Op-Ed, Jan. 15) argues that witnesses should testify in the Senate trial in order to make the case that President Clinton obstructed justice. The question of whether this crime will constitute grounds for impeachment, Mr. Terwilliger argues, is another matter.

But the question of whether a crime constitutes grounds for impeachment has to be answered first.

The Republican Party is using the impeachment process to damage the President politically so that his removal can be justified on the ground that he has lost the ability to govern. Witness testimony is an essential part of this strategy.

This bootstrapping is not only improper, it is outrageous. Given that the crimes, even if proved, do not affect the security, policy or welfare of the country, the impeachment itself is improper. The Senate proceedings should already have terminated with the dismissal of the matter.

KYRON HUGHES
New York, Jan. 15, 1999

The writer is an assistant professor at Cardozo Law School.

Smooth Transitions

To the Editor:

Throughout our history, Presidents have left office before the end of their term — through natural death, assassination and resignation. From my own experience living through some of these events and from my reading of history, it is clear that the country makes transitions to new Presidencies without the great turmoil and instability you suggest in a Jan. 15 editorial. We have a strong Constitution and a great national will that enables us to continue without the dire circumstances you predict.

Moreover, would it not be better to make a transition to a new Presidency with potential for greatness than it would be to continue with a weakened, immoral leader? The latter may disrupt our national life in the short term more than an abbreviated term will damage the country in the long run.

DON SPAULDING
Denton, Tex., Jan. 15, 1999

Facts Are Known

To the Editor:

George J. Terwilliger 3d misses the point when he argues that the Senate should hear testimony from witnesses who will support the articles of impeachment (Op-Ed, Jan. 15). The issue in question is not the facts of the case, but what should be done about them.

The majority of Americans have long been convinced that President Clinton had a sexual relationship with Monica S. Lewinsky and lied to cover it up. However, they do not feel that his actions merit impeachment and removal from office. They do favor what they consider appropriate action, like censure. They see demands for impeachment as politically inspired and supported by vindictive tactics.

Hearing testimony from the witnesses, Mr. Terwilliger suggests would not change these opinions. Rather, it would reinforce the sentiment that the movement for the impeachment of President Clinton is a political vendetta.

IRVING CRESPI
Princeton, N.J., Jan. 15, 1999

Only One Solution

To the Editor:

In "Statements of the Obvious" (editorial, Jan. 15) you state that "only the White House lawyers seriously dispute the facts" in the case against President Clinton.

To a reasonable person, this suggests that you believe President Clinton committed perjury and obstructed justice.

If this is the case, I am bewildered by your suggestion that these crimes do not warrant Mr. Clinton's removal from office. MIKE JOHNSON
Hampton, Va., Jan. 15, 1999

Art at Lincoln Center

To the Editor:

Re your Jan. 11 news article and Jan. 13 editorial about the potential sale by Lincoln Center of Jasper Johns' "Numbers, 1964": No final decision has been made to sell the painting, although we had a fiduciary obligation to our institution to inform our board that substantial unsolicited offers had been received.

The painting is not on public display in the New York State Theater lobby, but is in a stairway landing open only to ticketholders and occasional group tours. The New York City Opera, a constituent company of the theater, strongly favors the sale and has urged Lincoln Center to sell the painting.

Lincoln Center's programming activities have had nothing to do with the proposed sale. Proceeds would not be used for operating costs, but could be used for endowment or capital renovations, like defraying costs of capital buildings, which are approaching 40 years of age. In the event of a sale, consideration would be given to insure that the painting is ultimately placed on more suitable public display in a museum. We would also set aside a portion of any proceeds to purchase additional art for the theater and campus.

BEVERLY SHILS
NATHAN LEVENTHAL
New York, Jan. 15, 1999

The writers are, respectively, chairwoman and president, Lincoln Center.

Editorial Observer/FLOYD NORRIS

When Former Auditors Help Commit Fraud

If you were going to commit a crime, wouldn't it be nice to have the former chief of detectives from the local police on your staff?

In the white-collar world of accounting fraud, that happens all too often. A former auditor of the company's books turns out to be the person preparing the phony accounts.

When criminal charges were filed in the case of Livot Inc. last week, the headlines went to the 16 counts against Garth Drabinsky and Myron Gottlieb, the co-founders of the theater company that brought "Ragtime" to New York. They deny the charges that they orchestrated a fraud that cost investors millions.

But the more interesting defendant may be Maria Messina, 36, who pleaded guilty to one count of filing false financial statements with the Securities and Exchange Commission when she was Livot's chief financial officer.

Before going to Livot, Ms. Messina was the partner in charge of auditing Livot's books for Deloitte & Touche, which for years failed to notice what the Government now

Livot's case shows why accounting firms need new rules.

says was a massive accounting fraud aimed at making Livot look like something other than the money-losing operation it was.

It appears that Ms. Messina was not aware of any fraud before she worked at Livot. Some time elapsed before she committed the crime she now has admitted, but the S.E.C. claims she became a willing participant. Having a top officer who knew how Deloitte worked, and what its auditors were looking for, no doubt made it easier for the company to keep auditors from finding evidence of any fraud. She also had credibility with former colleagues when questions arose, which may have been used to reassure them if something suspicious was noticed.

The revolving door is a problem even when there is no fraud. Ac-

In America

BOB HERBERT

Giuliani's Stadium Fever

Something must have happened while we weren't looking. Apparently it is no longer essential that the city build a stadium on the West Side of Manhattan for the Yankees. Now, if Mayor Rudolph Giuliani is to be believed, we need to build one for the Jets.

Has George Steinbrenner suddenly fallen in love with the Bronx? Is he refusing to leave? Has the Mayor suddenly realized what nearly everyone else knew from the very beginning — that the plan to move the Yankees to the West Side was insane? Or does the Mayor just like to run with the most recent winner? The Yankees are off the front pages now and the Jets have the hot hand. So they get the stadium.

However it shakes out, this is policymaking that is, to be kind, odd. Back in April 1996 the Mayor was saying, "Purely from a financial analysis point of view, the place where the city could build a new stadium [for the Yankees] at virtually no cost to the taxpayer or very little cost to the taxpayer would be in Manhattan."

That caused chuckles up in Albany. The state owns the West Side property on which the Mayor has staked his stadium dream. The idea that Mr. Giuliani could get the stadium built and a team moved in without consuming enormous amounts of taxes was ridiculous. Said one state official: "Somebody has got to tell him to stop saying that because, you know, it's not true."

Eventually the Mayor acknowledged he would have to use tax revenues. But he never backed off his insistence that a new stadium for the Yankees on the West Side — a stadium that would cost more than \$1 billion — would be a wonderful thing, a boon for the Yanks and the city.

That is, he never backed off until Thursday, when he suddenly announced that he now favors a stadium for the Jets, not the Yanks — a domed stadium that would be part of an elaborate complex that would include a new Madison Square Garden.

He did not say how much this would cost or how it would be financed. Experts are suggesting the total project, including rail improvements, could cost as much as \$3 billion or more.

"This would become the most famous sports facility in the world," said Mr. Giuliani. Not the best. Not the most cost-efficient. Not the most appropriate for the city's needs. The most famous. The Mayor is in close touch with prevailing values.

Last week The Times ran a series of articles on the pathetic state of high school sports in New York. The essence of the series was captured in a passage in the first article that quoted Rob Schimenz, a baseball coach at Queens Vocational High School. It read as follows:

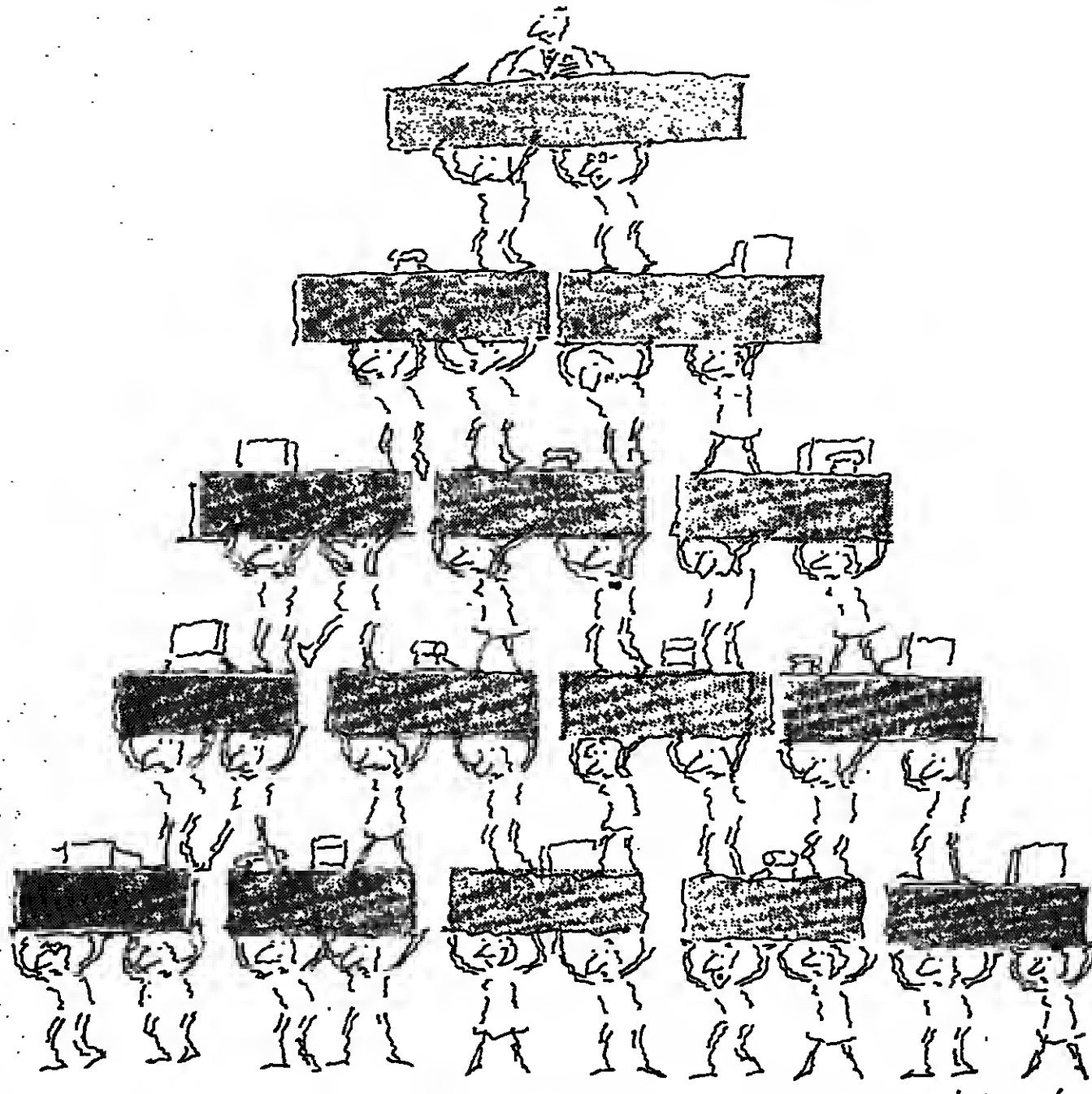
"This is the hand you're dealt, you try and keep a positive attitude, you try to work with it and the kids," Mr. Schimenz said of his school's sports program, which has no gymnasium, no athletic fields of its own, no money at all for uniforms, and not much more for equipment."

The article went on to say, "Today, despite modest spending increases in the last few years, the city's public high school system offers only a handful of teams for freshmen, provides schools with no money for uniforms, asks varsity football and other coaches to run their programs on budgets of \$100, and does not give any school — from elementary through high school — a dime for gym equipment."

Funding for school sports was drastically curtailed in the 1970's, long before Rudolph Giuliani became Mayor. But even as the schools continue to suffer (not just in sports, but in virtually every way), Mr. Giuliani comes up with ever more elaborate ways to shower billions of the city's dollars on sports franchises that are thriving and that are owned by fabulously wealthy men.

It is beginning to look as if Mr. Giuliani wants the stadium on the West Side not to keep the Yankees in New York, or to lure the Jets back to New York, but simply as a monument to himself. Perhaps it doesn't matter to him who inhabits the stadium. The important thing is that the stadium exist, a giant reminder on the West Side of Rudolph Giuliani.

Nelson Rockefeller gave us the World Trade Center. David Dinkins, more modestly, was largely responsible for the expanded National Tennis Center and the 23,000-seat Arthur Ashe Stadium in Flushing Meadows. There is no monument yet to Rudolph Giuliani. But he's trying.



How Has 'The Organization Man' Aged?

Nostalgia's Illusions

By Virginia Postrel

LOS ANGELES. William H. Whyte, who died last week, lived long enough to achieve a paradoxical fate for a social critic: the world he once criticized had become the good old days.

Whyte's 1956 classic, "The Organization Man," argued that American business life had abandoned the old virtues of self-reliance and entrepreneurship in favor of a bureaucratic "social ethic" of loyalty, security and "belongingness." With the rise of the postwar corporation, American individualism had disappeared from the mainstream of middle-class life.

The Organization Man, wrote Whyte, "must not only accept control, he must accept it as if he liked it." "He must smile when he is transferred to a place or a job that isn't the job or place he happens to want," Whyte wrote. "He must be less 'goal-centered,' more 'employee-centered.' It is not enough now that he work hard; he must be a damn good fellow to boot."

Young men of ambition submerged themselves in the organization, adopting what Whyte described as a standard litany: "Be loyal to the company and the company will be loyal to you." Whyte noted that the younger generation — up-and-comers who would be in their 60's today — considered looking out for job opportunities at other companies gauche. "Such behavior," they believed, "was characteristic of the What-Makes-Sammy-Run type, and the companies would be better off without such people."

Whyte's portrait was damning, or at least depressing. The implicit premise of the book was that the change was permanent: that the Organization Man and all he represented would henceforth define the American character. That Whyte's conformist organization represented the mature form of capitalism was conventional wisdom until fairly recently. We lived, critics and supporters agreed, in what John Kenneth Galbraith called "the technostate," an oligopolistic industrial state where the future was carefully planned in advance, through either government or private bureaucracy. Technology and capital markets had made entrepreneurship, and unpredictable economic evolution, obsolete. At least that's what the wise men of the 50's, 60's and 70's believed.

Of course, it all sounds like nonsense today. Now we associate tech-

nology with change, not predictability. Corporations cherish flexibility, lean-ness and just-in-time management. "Creative destruction" is the rule. Men — and, this time around, women — of ambition seek their fortunes not in bureaucratic conformity but in adaptability, entrepreneurship and job hopping.

This cultural and economic dynamism deeply troubles today's social critics, who seem to prefer stasis. On the right, Pat Buchanan longs for "the kind of social stability, rootedness... we all used to know," the world in which his father lived in the same place and worked at the same job his whole life. On the left, the sociologist Richard Sennett writes a book on the "new capitalism" called "The Corrosion of Character." The old hierarchies, he argues, gave people a sense of purpose and control, a linear narrative of their lives. Without that, he suggests, "the corroding of character is an inevitable consequence."

Though some might deny it, such critics want to bring back the Organization Man and the order, predictable world in which he lived. In economic and social diversity, they see only fragmentation. In business innovation, they discern only disorder. In the fading of "belongingness," they imagine the death of character.

"The Organization Man" reminds us how easily social critics can confuse passing cultural moments with permanent transformations. But it also provides an antidote to the nostalgia for postwar corporatism. The world we've lost wasn't all today's stability zealots make it seem. "Loyalty" sounds good in the abstract, but it exacts a terrible cost in economic stagnation and personal repression. The pressures of competition, and a new generation's desire for self-expression, reinvented work. The "goal-centered," individualistic employee returned to the American workplace, as did creativity and enterprise. The world of white-collar work became less certain, but it also became more interesting. Capitalism proved more dynamic, and far more creative, than Whyte expected.

Virginia Postrel, the editor of Reason magazine, is the author of "The Future and Its Enemies."

A Need To Belong

By Arlie Russell Hochschild

BERKELEY, Calif. When it first appeared in 1956, William H. Whyte's "The Organization Man" hit a raw nerve. Four decades later, it is strange to note what slogans we remember from this classic and what wisdom we forget.

The book was an in-depth study of middle-class men who lived in suburban Park Forest, Ill., and worked for large companies. Whyte followed their lives from college to the jobs they then "transferred" into. He also wrote about homes in their suburbs ("packaged villages") and their trim wives. Everything seemed to correlate. Thus, the higher the real-estate value of the suburb, the smaller the best-selling dress sizes in nearby department stores. Whyte even studied the speeches chief executives gave and the personality tests they took.

Today, many think of Whyte's book as a simplistic critique of the conformist corporate man. But this is unfair. Whyte provided a subtle and thoughtful exploration of the moral perimeters of modern life. He charted the decline of the Protestant ethic — the pursuit of salvation through hard work, thrift and competitive struggle, an ethic that prized the individual, not the group.

Whyte himself had no love for that ethic, since it seemed to promise the entrepreneur that God had elevated what for centuries had been looked on "as the meanest greed" into something "a rising middle class would interpret as the earthly manifestation of God's will."

But Whyte also saw that this point of view continued to exert rare power. He pointed out that the best-paid consultants were those who could make whatever was happening in the culture — even rampant consumerism —

seem an expression of the Protestant ethic.

Among the corporate employees of Forest Park, however, Whyte discovered a very different social ethic that put the group ahead of the individual. The organization man's ultimate need, he suggested, was not to succeed, save and compete, but to belong.

The dark side of the new ethic was that it could hamper individual creativity. Thus, Whyte advocated less time spent in committee meetings and more time spent alone thinking up ideas.

He also thought that the social ethic could squish individual conscience. An employee who was uncritically loyal to the company might not be a good citizen. Better for people to be socially responsible as well as creative.

Is "The Organization Man" relevant today? Certainly the corporate landscape has changed. For one thing, today many middle managers are women. Gone is the domestic back-up for the workaholic man. But Whyte's larger point, about the invasiveness of the corporate mentality, still holds. Whether the ethic is Protestant or social, there is even more concern today about work-family balance.

On the global chessboard, companies are gobbling one another up, finding precarious niches, starting up or going under. In "The New Individualists," published in 1991, a pair of writers, Paul Leinberger and Bruce Tucker, interviewed the sons of Whyte's suburban subjects and found that these men didn't desire to belong. They were fine without belonging. We don't have loyalty-inducing organizations, the authors wrote, and we don't even have organization men without organizations.

But Whyte wondered, and we should too, whether the matter really ends there. Maybe the Organization Man is dead, but the social ethic, and its passive abdication to a corporate way of life, is not dead. Maybe our rootlessness helps make us big adapters. In a brilliant chapter, "The Transients," Whyte describes the many people — their numbers increase in the higher education and income levels — who leave home and never return. They do so partly because it would be an admission of defeat to go home, and partly because, as Whyte puts it, "transients can't go home because they won't find it there if they do."

Today transience occurs on a global scale. We move not only from one job to another, but from one spouse — and sometimes one set of children — to the next. In "The New Insecurity," the philosopher Jerald Wallulis argues that we are changing from a society that values employment and marriage to one that values employability and marriageability.

In the face of this, it seems that all we can think to do is don the armor of the old Protestant ethic, brave the cold winds of global capitalism and try our luck. Whyte's wisdom — his grasp of the larger and deeper reality — led him to see that it might hurt inside to live like this, and that we don't have to adjust — as the Organization Man did — to the circumstances capitalism gives us. We can use our creativity to change them.

Arlie Russell Hochschild, a sociology professor at the University of California at Berkeley, is the author, most recently, of "The Time Bind: When Work Becomes Home and Home Becomes Work."

Liberties

MAUREEN DOWD

Soft-Porn Nation

WASHINGTON. By the time we got to Bob Barr, I had become a desperate woman. I felt trapped, panicky, short of breath.

I could only imagine how the senators felt about having to sit silently through these excruciating recitations of the obvious and the irrelevant.

And while there is an undeniable appeal to the notion of enforced silence on the usually prolix senators — the equivalent of a national mute button — the Trial of the Century is proving less than scintillating.

It suddenly seems essential that we figure out a way never, ever to have to go through such a ludicrous, stupefying display again.

The Republican House managers were acting like ugly Americans abroad who think that if they talk loudly and slowly, foreigners will understand them.

We expected the G.O.P. Congressmen to explain themselves. But they just kept repeating themselves, waving expanding pointer pens, brandishing charts and helpfully pointing out to 100 of the top elected officials in our land that the list on the first two pages of the House impeachment report was called "The Table of Contents."

So what did we learn after these two "historic" days? President Clinton lied. He was alone with Monica Lewinsky and played with her sexually. He coached Betty Currie and enlisted Vernon Jordan in a job search for his playmate. He has a complicated understanding of the word "is."

So far, the Republicans have not pointed out that the earth is round, but the proceedings are young.

Kenneth Starr and the rabid Republicans keep trying to present the President's behavior as a deep, dark plot. But the more you hear them tell it, the more it sounds like what it was: a powerful but weak-willed guy scrambling not to get caught in a deeply humiliating mess.

It's not a conspiracy. It's a cliché. They have made the case that Bill Clinton is selfish and promiscuous. They have not made the case that two elections should be overturned.

The senators have been sworn in as jurors, but the country has already nullified the jury. Americans think Mr. Starr's investigation was ugly and the House Republicans' impeachment was mean.

The House managers have been prattling about how no man should be above the law, as they try to cloak politics in the sanctity of a judicial proceeding. Mr. McCollum even aimed his pointer at a chart of Federal sentencing guidelines for bribery, witness tampering, obstruction of justice and perjury.

But any pretense of judiciousness was lost when Republican senators acting as jurors and Republican House members acting as prosecutors met privately to plot trial strategy. (Too bad this is a jury with no alternates.)

Listening to Mr. McCollum say "genitalia" three times, "oral sex" three times and "breasts" four times in the well of the Senate, seeing the cascading confessions of Republicans about illegitimate children and affairs, actually made me nostalgic for

Conspiracy, no. Cliché, yes.

what the good old boys keep telling me were the good old days, when journalists looked the other way as politicians frolicked.

Sure, those journalists were delinquent. But we're no better off now that we get all the gory details, and no real perspective. Our sexual auto-da-fé, in which every revelation about a politician's private life becomes ammunition in the squalid partisan wars, is enough to make the benign neglect of yesterday look like a democratic kind of discretion.

Now we have a soft-porn nation, where New York hotels feature an adult movie spoof of the Clinton White House called "White House Interns" that competes with the somewhat less racy "White House Interns" show on C-Span.

The surflet of sex comes with a surflet of sanctimonious pseudo-oratory, as when Mr. McCollum rhapsodized about "a beautiful panorama" he saw on his drive to the Capitol. "Just before I got to the 14th Street Bridge," he told the senators at the trial, "I saw this incredible number of geese, I guess in the hundreds, that were lined up.... They looked like they were an invading army. And I thought of the awe of this, the beauty of it, the awe of Mother Nature, the awe of God. And I thought also of the awe of the responsibility to our children and our grandchildren about what we are committing today. This is an awesome undertaking for all of us."

The Republicans had better beware: What's good for the goose is good for the gander, and besides, those geese might come home to roost.



Archive Photos/Lambert

Note to Readers

The Op-Ed page welcomes unsolicited manuscripts. Because of the volume of submissions, however, we regret that we cannot acknowledge an article or return it. If manuscripts are accepted for publication, authors will be notified within two weeks. For further information, call (212) 556-1831.

Duke Ellington's Legacy: Reveling in Life's Majesty

By WYNTON MARSALIS

IN Duke Ellington's world, people are smiling, they are dancing and they are making love. They're having a good time because his music's most basic concern is uplift of the human spirit. It's a music that celebrates freedom of expression, freedom of choice. That's why we love it. It wants us to love being ourselves and to revel in the majesty of life.

The arrival of 1999 marks the centennial of the birth of Edward Kennedy (Duke) Ellington, America's most prolific composer of the 20th century in both number of pieces (almost 2,000) and variety of forms. Duke's artistic development and sustained achievement were among the most spectacular in the history of music. His was a distinctly democratic vision of music in the service of the whole band's sound and, more than any other composer, he codified the sound of America in the 20th century.

Duke Ellington's genius manifested itself in his musicianship, his composition and his leadership. He taught himself how to use his ensemble and its individual members as a palette to paint tonal pictures. By 1930 he had already established an international following with several major recordings. Few other artists of the last 100 years have been more successful at capturing humanity's triumphs and tribulations in their work than this composer, band leader and pianist, who died at age 75 in 1974. Now, as musicians, music lovers and musical organizations around the world embark on a year-long commemoration of Duke's legacy, it is fitting that we reflect on the characteristics that distinguish his artistry.

The roots of Duke's music run deep in American society. His compositions are a synthesis of elemental forms of American music, including field hollers, Shaker hymns, fiddlers' reels, minstrel songs, ragtime, Tin Pan Alley and, most important, the blues. He recognized that the blues was both a form and a feeling. He also recognized that the blues attitude can accommodate many ways of bearing life, from the tragic to the triumphant.

Duke grasped how a most devout gospel singer like Mahalia Jackson could be influenced by the bawdy and profane blues singing of Bessie Smith. He saw how Louis Armstrong taught others to improvise with a blues feeling and how Armstrong took the blues sound and applied it to harmonic progressions from the classical tradition of Europe, making it possible to play the most non-American material with soul and feeling.

Ellington appropriated the moans, hollers, laughs and cries of the blues to form a harmonic concept that was

Wynton Marsalis is a trumpeter and composer.



The Duke Ellington Band at the Congress Hotel in Chicago, January 1935.

completely original and homegrown. This system of harmony sometimes played the chromatic and semitone dissonances of the blues against the consonant triadic inversions of gospel music. His chord voicings were famous for swooping, crunching and soaring.

Duke also recognized the possibilities for development in New Orleans jazz, its polyphony, call and response, riffs, breaks, grooves and improvisational attitudes. Such insight was a great achievement, because New Orleans music during Duke's youth was still a novelty. To many listeners and musicians, it sounded like noise. Even to some who liked it, it seemed indecipherable. When Duke heard this music, he didn't just hear an eccentric sound. He heard all the fundamental musical elements being reinterpreted; for him, this was the first music that had the ease and spontaneity of conversation.

Given his background, the choices he made to shape his esthetic sensibility were remarkable. Born on April 29, 1899, in Washington to a loving and musical middle-class family, he was playing piano by the time he was 8 years old. An athletic boy who was interested in baseball,

football and track, Duke was also a talented painter. He received a scholarship to the Pratt Institute in Brooklyn after high school. But he decided to dedicate his life to music when he began to win acclaim playing piano in dance bands at parties and clubs around town. Early in his career, Duke was inspired by the Harlem stride pianists Luckey Roberts, James P. Johnson and Willie (The Lion) Smith, and in 1922 he moved to New York City with some of his musical homeboys. They created a cooperative band called the Washingtonians, and their specialty was sweet society dance-band music.

By 1927, Duke's band was transformed. Expanded from 5 to 10 musicians, it had been renamed the Duke Ellington Orchestra. The hot gumbo of New Orleans jazz had replaced tea and crumpets. His ensemble began an extended engagement at the popular Cotton Club in Harlem. There Duke worked out what became the hallmarks of the Ellington sound: talking brass instruments, wailing clarinets, ritualistic drumbeats, sensual balladry and precise orchestration.

Duke also knew — and understood — people of all classes, and tried to reach them on many levels. He

coined the term total jazz, and though I have never seen or heard his explanation of it, I think he meant jazz that appeals to all strata of people.

Duke's artistic mantra was integrate, integrate, integrate. He blended diverse cultural and musical ideas because he understood not only what the country was, but also what it could become.

While Ellington was making music for and about the people, many composers of European concert music were beginning to distance themselves from the vibrancy of 20th-century life in their work. A good deal of their music is somewhat gloomy.

This is not true of Duke Ellington, who learned an important lesson from the blues: the greatest joy is earned in the hardest times. Duke knew that truly great art, for all its virtuosity and complexity, also had to be simple and direct. He rose above a basic misunderstanding common to much of modern art: that abstraction is the only way to achieve an up-to-date statement. Duke's art, like Picasso's, teaches us that abstraction is only one way, not the way. Duke was more interested in your liking his music than in your understanding it.

In his work, Duke smoothly melded musical concepts that were thought to be irreconcilable. Take an

extended piece like "The Tattooed Bride" from 1943. It marries the romance of Tin Pan Alley chord progressions, the introspection of static modal harmonies and the complex joy of New Orleans polyphony — three harmonic conceptions that represent different schools of jazz. The 1956 suite "A Tone Parallel to Harlem" is a treatise on the musical third. He uses the interval of the minor third as the main melodic theme. This interval becomes the basis for modifications into keys a minor third from each other. The orchestra modulates up a third in tempo. I could go on about the intensity of the thematic relationships in this piece. But Duke always disdained public theoretical discussions about music. He said such talk "sinks up the place."

DUKE understood that music could be called upon to evoke diverse aspects of our national character, and he drew on the musical personalities of his band members to create a particular American tapestry of mood and style. So the alto saxophonist Johnny Hodges, with his urbane nonchalance, could be a city slicker or a crooner. The big-toned trumpeter Cootie Williams from Alabam could be a country boy or a preacher or even Paul Bunyan. And the gruff but sensitive tenor saxophonist Ben Webster could be a boisterous brawler or a lyrical poet. Duke felt that such characters were variations on figures from a mythic past, which came mainly from two places: the long suffering of slavery and the so-called Rite of Spring of New Orleans.

His band was always made up of musicians who possessed startlingly individual sounds but whose playing could also reassemble the sounds of the early New Orleans jazzmen: the deep, slapping style of Papa Foster's bass, the clarion majesty of Buddy Bolden's trumpet, the sardonic sweetness of Sidney Bechet's saxophone, and the intricate coarseness of Kid Ory's trombone. When Duke wrote for Johnny Hodges, for example, Johnny's playing represented Duke's own inimitable sound but was also an invocation of Sidney Bechet's. He applied this dual conception to all the voices in his orchestra, and the success of this method is that Duke's music's greatest characteristic at the time of his death was its originality.

Reborn, and Going International

By ROBERT G. O'MEALLY

DUKE ELLINGTON liked to say he was born at the Newport Jazz Festival in July 1956. The 57-year-old Ellington was kidding, of course. What he meant was that his orchestra, after a dry spell, had been such a bit at the festival that things were over the same again. Though it may surprise those diehards who say the band had collapsed after 1941, the truth is that had Ellington produced only the records from 1956 to when he died in 1974, he would still be one of the greatest composers of the American century.

Late that night at the festival, Johnny Hodges, the saxophone star who had recently rejoined the band, played "Jeep's Blues"; here was a brilliant composer-on-the-spot whose solo was full of intense wailing and slightly salty turns of attitude.

But it was the evening's climactic piece, "Diminuendo and Crescendo in Blue," that sparked so much excitement that festival officials warned Ellington to stop before he caused a riot. The composition was built on a 12-bar blues but had all the spontaneity of a jazz solo, performed as if all 15 players were making it up as they went along. Paul Gonsalves's 27 choruses on tenor saxophone reached a level close to religious ecstasy. The piece ended on a piercing high note from the trumpeter Cat Anderson.

The album of this concert, "Ellington at Newport," became a best-seller and led to new dates, for which Duke commanded higher fees than ever. In August, Time magazine published a lengthy article on Ellington's career and put his picture on that week's cover. In the midst of the rock-and-roll revolution, and with the youth jazz market latching onto bop and cool jazz, Ellington's big band had prevailed with undiluted versions of his music, some of it written nearly 20 years before.

Robert G. O'Meally is a professor of American studies at Columbia University.

By the 1950's the LP was in wide use, and with it came new levels of recording brilliance in hi-fidelity and later stereo. Always canny in the studio, Ellington made records over the next two decades that were so technically perfect they were used to demonstrate new equipment. LPs made it possible for Ellington to record suites he had been writing for years as well as new ones. From the 50's on, Ellington conceived major recordings not as anthologies but as unified concerts to be heard in the living room. Check out, for example, "Such Sweet Thunder" (1957) or the blues-based "Suite Thursday" (1960).

The civil rights era saw Ellington return to the celebration of black life to music. He rerecorded his 1943 masterpiece "Black, Brown and Beige" with Mahalia Jackson in 1958. In 1963, he released "My People," with its tribute to the Rev. Martin Luther King Jr., "King Fit the Battle of Alabama." Both chronicled what Ralph Ellison termed "the Harlem of our national predicament."

By the 60's and 70's, Ellington, like so many black Americans, from Malcolm X to John Coltrane, began to internationalize his identity. This period produced his "Latin American Suite" (1968); "La Plus Belle Africaine" (1966), a suite created in honor of Senegal, and, most notably, the "Afro-Eurasian Eclipse" (1971), for which Ellington provided witty remarks. "We have adjusted our perspective," he said, "to that of the kangaroo and the didgeridu, which automatically puts us Down Under or Out Back. From this standpoint, it is most improbable that anyone can tell who is enjoying the shadow of whom."

Circling the globe, Ellington assimilated music he encountered into his own artistic language, without the rattle of false translation. "I think I have to be careful not to be influenced too strongly by the music we heard," he said. "The moment you become academic about it, you are going to fall into the trap of copying. It's more valuable to have absorbed it while there. You let it roll around, undergo a chemical

change." In this final third of his life, Ellington made music for movies and jazz clubs, for collaborations with Alvin Ailey's dancers and with Coltrane and Mingus, for sacred concerts with chorus and tap dancers and for swinging recastings of works by Tchaikovsky and Grieg. His efforts to create music in broader contexts differed radically from those of George Gershwin and Charles Ives. Rather than squeezing homegrown forms like the blues and the 32-bar song into European symphonic frames, he used these vernacular forms to build a series of works composed of related movements. Duke created uniquely Ellingtonian



Duke Ellington, 1962

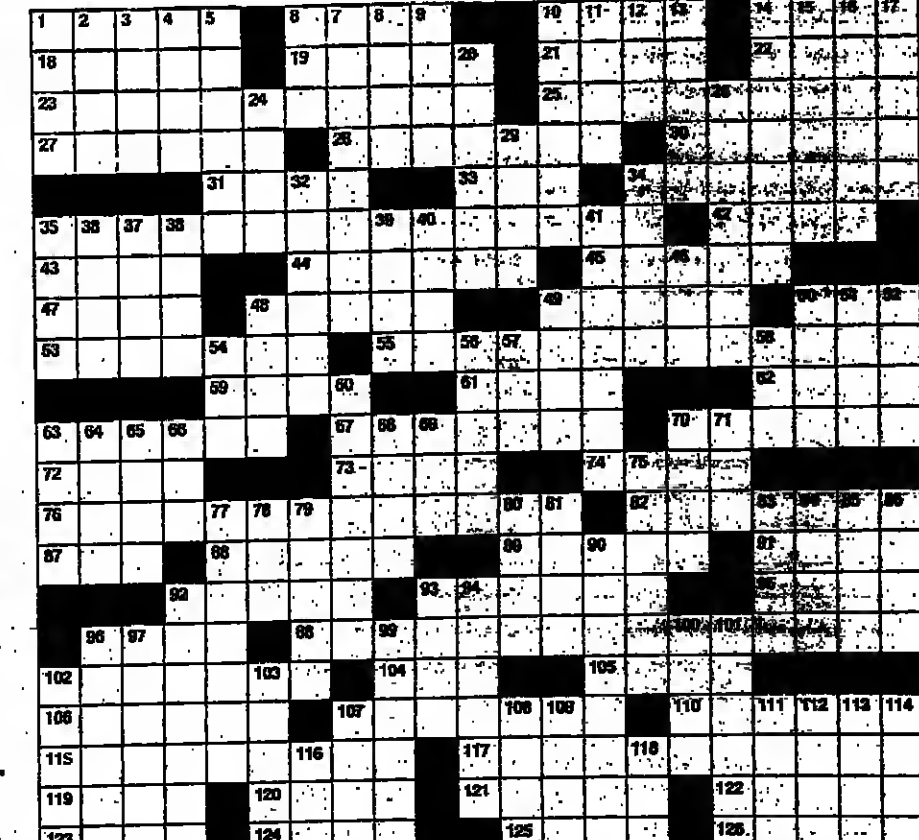
music that worked equally on the concert stage and in the dance hall. On a hot California day in 1970, I caught the band in concert at a college amphitheater. The musicians struggled on stage; an opening melody sounded dispirited. After a short break, though, something happened. Suddenly the musicians seemed young again. Ellington was exhorting the crowd to snap its fingers to the beat. "Don't push it," he said, "just let it fall." I snapped with the others as the band began a blues called "Jones." The piano player made what sounded like a train whistle on the treble keys, and the band was grooving. The sun was shining; the crowd was rocking to the rhythm. It was Newport all over again.

FOLLOWING ORDERS

BY CATHY MILLHAUSER / EDITED BY WILL SHORITZ

ACROSS

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- 33 Rare sports result
- 34 Bad reception?
- 35 Alphabetical order?
- 42 Limus is one kind
- 43 On the main
- 44 Red shade
- 45 Disconnected
- 47 Skewer
- 48 Che cohort
- 49 Bawdy
- 50 Abbr. concerning the holy or "potholy"
- 53 Difficult position
- 55 Banning order?
- 58 Waxed
- 61 Split
- 62 Dozer's spot
- 63 Cry at an old-fashioned battle
- 67 Tick off
- 70 Headed north, by Northwest
- 72 Interlaken's river
- 73 Snowfall
- 74 Agitate
- 76 Back order?
- 82 Sagebrush State native
- 87 Kind of cozy
- 88 Bubbling on the stove
- 89 Tree thicket
- 91 Moth with translucent spots on its wings
- 92 Red flag
- 93 It's deadly for Berd
- 95 Skip
- 96 Aura
- 98 Benediction order?
- 102 They hold cones
- 104 Had a cone
- 105 Not orig.
- 106 Regard
- 107 Neighbor of the larynx
- 110 Impresario
- 115 Side order?
- 117 Suborder?
- 119 Poop out
- 120 It's often on the house
- 121 Pioneer in calculus
- 122 Levels
- 123 Returned MS. holder

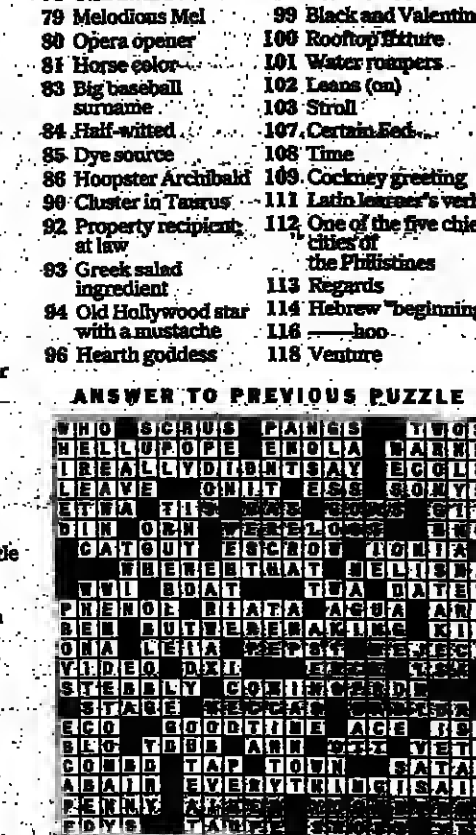


DOWN

- 1 New York merchant
- 2 Throw (go ballistic)
- 3 One of the Simpsons
- 4 Word with while
- 5 Computer buyer's coocean
- 6 Atty.'s title
- 7 Like some vents
- 8 Ex
- 9 Guitar part
- 10 Implored
- 11 One way to buy an item
- 12 McDonald's lid?
- 13 Tree with tiny red berries
- 14 Cultivated
- 15 Cerviids and chevrons
- 16 Strip (of)
- 17 One-way transports?
- 20 Japanese pouches
- 24 Switch suffix
- 26 Antidemocratic belief
- 29 Mozart's age, when he wrote his Fifth Symphony
- 32 DuPont brand
- 34 "The fault, dear Brutus, — in our stars"

- 35 Beer-brewing mixture
- 36 Analogy words
- 37 Shipshape
- 38 Cotton ball applications
- 39 F.M. counterpart
- 40 Countryside cylinder
- 41 Proverbial loser
- 46 Decimal starter
- 48 Meter reading, maybe
- 49 Wrestling falls
- 50 Serial killer?
- 51 Protein source
- 52 Pull a switch
- 54 Word with drop or roll
- 56 El Greco's homeland
- 57 Football Hall-of-Famer: Strong
- 58 Suffix with computer
- 60 Glen Campbell title city
- 63 Shed
- 64 Crime motivation
- 65 Suburbia, e.g.
- 66 Public image, for short
- 68 Winter air
- 69 Eclipse, for one
- 70 Make tracks
- 71 O.T. book
- 75 Line of clothing
- 77 Equipped à la raptors

ANSWER TO PREVIOUS PUZZLE

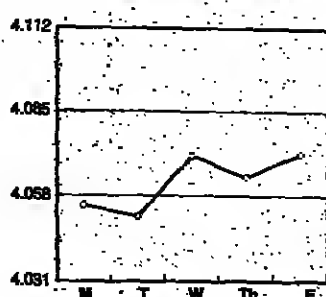


150 من المال

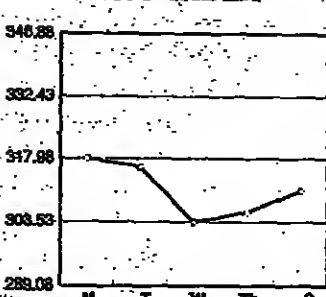
MARKETS

in brief

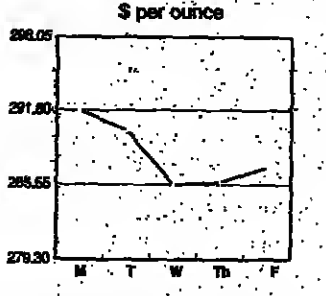
DOLLAR / SHEKEL



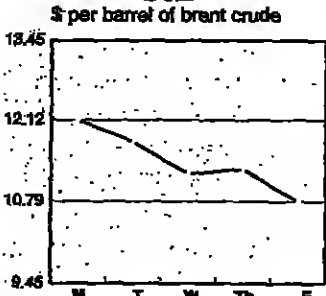
MAOF INDEX



GOLD



OIL



November jobless rate 8.5%

Unemployment is stabilizing at 8.5 percent of the workforce, the Central Bureau of Statistics reported yesterday, based on data covering the period ending in November. Earlier this year, the jobless rate momentarily crossed the 9% barrier and seemed well on its way to double-digits, where it last was in 1992, following the post-Soviet immigration's initial shock to the economy.

Four months ago, the CBS detected a reversal in the previous growth in unemployment, a trend which now seems to have spent itself.

Last week, the Labor and Social Affairs Ministry's Employment Service reported an increase of 3,000 jobseekers in December, however jobseekers often prove to be employed people seeking unemployment benefits, while the CBS surveys use internationally recognized methods.

Jerusalem Post Staff

Palestinian CPI up 0.8%

The Palestinian consumer price index (CPI) rose 0.81 percent or 0.97 points in December to 120.37 points, the Palestinian Bureau of Statistics said yesterday.

The bureau said the rise was the result of price increases in several areas, from food and tobacco to furniture. The CPI rose 5.58% last year compared to 7.62% in 1997, according to the bureau.

December's rise in prices varied according to location, with a 0.7% rise in East Jerusalem, 1.02% price hikes in the Gaza Strip, and 0.6% increases in the West Bank.

Jessica Steinberg

Company activities down in 4th quarter

Industrial, construction and hotel activities continued to decline in 1998's fourth quarter, according to a Bank of Israel survey. The 668 companies interviewed were classified as small, medium and large, depending on the number of employees.

Industrial companies - which included electronic, chemicals, and electric concerns - showed growth patterns, while smaller companies had a slower rate of sales declines than in the past, the survey showed. Construction companies reported less of a slowdown in housing starts since the beginning of 1998, following the continuing decline in dollar prices.

Jessica Steinberg

Compaq buys on-line retailer for \$220m.

BY NICKY BLACKBURN

Compaq Computer Corporation announced yesterday that it will purchase Shopping.com, a leading on-line retailer, for \$220 million.

Compaq decided to buy the shopping site, which offers Internet shoppers a vast array of brand-name consumer products, in a bid to leverage user traffic generated by its highly successful AltaVista Internet guide and its Internet PCs.

The Fortune Global 100 company, which sells its products in 100 countries around the world, said that the increased traffic from AltaVista - the ninth largest individual domain on the Internet - and Compaq Internet PCs will enable the site to grow faster and more efficiently than stand alone

e-commerce companies. In turn it said that the increased knowledge gained from users on-line purchasing interests will help AltaVista organize content and information for its users.

The acquisition has been approved by the management and board of directors at Shopping.com.

"The Internet is fast becoming a transaction medium in addition to a content medium," said Rod Schrock, Compaq's senior vice president and group general manager, consumer products. "Today AltaVista becomes the first site to fully combine these two capabilities into one synergistic user experience. Our intent is to make AltaVista the leading guide for both information and e-commerce on the Internet."

US mulls ending spin-off tax breaks

By PAUL NYHAN

Washington (Bloomberg) - The Clinton administration is considering cracking down on a popular corporate tool that allows companies to sell subsidiaries without paying capital gains and other federal taxes, according to congressional aides and lobbyists.

The tax-free strategy is becoming more popular, according to Robert Willens, a tax specialist at Lehman Brothers Holding Co. in New York. For example, Dupont Co.'s plan to shed Conoco Inc., the fifth-largest US producer of oil, relies on the strategy, according to Willens. And Torchmark Corp. announced it was spinning off its remaining stock holdings of Waddell & Reed Financial Inc. using the tax-free corporate approach, he said.

Under this kind of targeted transaction, a company that wants to shed one of its subsidiaries tax-free can spin off the subsidiary to shareholders while earning revenue from the transaction and paying no taxes on the exchange. To avoid this tax bill, the parent company must control 80 percent of the subsidiary's voting stock although it need not

control a proportionate share of the company's real value.

The Treasury Department is considering tightening the rules by forcing parent companies to keep a greater stake in subsidiaries in such transactions, according to congressional aides and lobbyists. Since Treasury officials won't discuss the plan, it's not clear whether their goal is to correct a perceived abuse, or to raise revenue.

Such a change would make it much harder for companies to spin off divisions tax-free, according to Willens. The change, which requires congressional approval, also would likely raise money to finance tax cuts or social programs.

The Treasury plan could become part of President Bill Clinton's fiscal 2000 budget plan, which will be sent to Congress on February 1. Tax lobbyists say they may have to wait until then to find out whether the proposal makes it into the budget.

Officials at the Treasury Department didn't respond to requests for comment. While Dupont and Conoco have yet to complete the spinoff, Lehman's Willens said he would

be shocked if any proposal from the president stopped the transaction. Traditionally, when Treasury or Congress target strategies they deem abusive, their proposals set an effective date that permits deals already announced to go forward. "It would be absolutely outrageous" for the Clinton administration to go after the Dupont-Conoco transaction, Willens said. Here is how companies use existing law to avoid taxes when they spin off a subsidiary: Say a mythical Smith Industries, for example, wants to sell its sub-

siary Smith Services. Before the sale, Smith Services recapitalizes itself by creating two classes of stock. One class has greater voting power than the other. Smith Services sells the stock with less voting power to the public, while the parent company keeps the other stock, and most of the votes, for itself. Through this strategy the company keeps the 80 percent of the voting stock it needs to move the sale forward, even though it may own less than 80 percent of the subsidiary's overall stock value.

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Purchase Price: 125.29
Redemption Price: 123.68



TARGET טרגט

Mutual Fund for Foreign Residents

Date: 14.1.99
Purchase Price: 126.88
Redemption Price: 125.07



Offer brothers deny intentions to sell parts of Israel Corp.

By DAN GERSTENFELD

The Offer brothers have no intention of selling any of the main holdings of the Israel Corporation, Sami and Yuli Offer announced yesterday in a press conference, following their acquisition of a controlling stake in Israel's third largest holding company from the Eisenberg family.

"We haven't decided yet on the company's structure," said Udi Angel, CEO of Offer Brothers Navigation. "Our intention is not to split the company, but rather to expand its activities."

The Offer brothers said their decision to bid for the company was taken on Wednesday night, and details were finalized in less than 24 hours. According to the agreement, the Offers paid the Eisenberg family \$330 million for a 53 percent stake. The deal was based on an assessed company value of \$620m. and will be fully executed within 90 days.

"We came to the conclusion that the Israel Corp. will be a strategic asset for the family and for our second generation," Sami Offer said. "I am sure that our experience will help us move the company forward."

The deal caught investors by surprise, coming at the very time when Erwin Eisenberg's representatives were conducting negotiations with Canada's Potash Corp. of Saskatchewan (PCS), the world's largest potash manufacturer.

Angel said that the company will review the possible cooperation with PCS and other companies, but control will remain in the hands of the Offers.

Analysts said, however, still contend that the Offer Group may sell Israel Chemicals, the Israel Corp.'s main holding, to PCS.

In a paper released yesterday by Ilanot Bencha investment house analyst Avital Bar said she believes the Offers are mainly interested in Zim, in which the Israel Corp. is a



Sami (right) and Yuli Offer confer yesterday at their press conference in Tel Aviv. Sami said the Israel Corp. 'will be a strategic asset for the family and for our second generation.'

(Gideon Markovitz)

49% partner with the government, and therefore there is a possibility the ICL would be sold to PCS.

Bar estimates that if such a deal doesn't batch, PCS will ultimately sell its recently purchased 9% stake in ICL.

The Offer brothers expressed confidence in the company's current management, and said that Yossi Rosen will continue to act as the president and CEO of the Israel Corp., according to a five-year agreement signed with Eisenberg.

son of the late tycoon Shaul Eisenberg who purchased the Israel Corp in the early '60s.

Rosen said that he is currently working on a new strategic plan for the company, which will include focusing on its core businesses while divesting other holdings.

The Offer brothers said that they don't fear a conflict of interest between their navigation activities and those of Zim. They added that while Zim acts as a line operator, meaning that it operates in regular

routes, the Offer group specializes in the ownership and operation of ships.

The businesses of the Offer brothers in Israel are managed by Yuli Offer through the Offer Brothers Investments. Among others, the company holds a controlling stake in United Mizrahi Bank and is active in the real estate sector.

Liav Collins adds:

The Society for the Protection of Nature in Israel is demanding that the Dead Sea Franchise Law be

amended before any change in the ownership of the Dead Sea Works goes through.

Under the current law, the plant is not subject to business licensing laws and, in effect, acts as an extra-territorial body. These rights cover a maximum of 62,000 dunam (13,000 acre), or 3 percent of the country, according to SPNI, including national assets and land of environmental and historical importance in the Sdom area.

Budget arrangements bill held up once again

By JESSICA STEINBERG

Chairman Avraham Ravitz yesterday prematurely adjourned the Knesset Finance Committee meeting, thus postponing its planned vote on the budgetary arrangements bill.

Ravitz said his decision came after coalition members failed to agree on various measures included in the 47-clause bill.

Responding to reports that he halted negotiations in response to pressure from various rabbis, Ravitz told *The Jerusalem Post*, "They don't instruct me, they advise me."

Ravitz said he adjourned the meeting when he saw the coalition MKs were not getting along.

"I have been meeting day and

night, reaching agreements with coalition members, and then we get to the committee this morning and everyone wants to start over from Genesis," he said.

The 1999 state budget and accompanying arrangements bill, now more than two-weeks overdue, is scheduled to be voted on and passed in the Knesset plenary on Thursday. However, with coalition members reportedly vying for additional budget funds to an estimated sum of between NIS 3 and NIS 5 billion, committee members said the budget may be passed without the accompanying bill.

The new demands include Shas's NIS 75 million request for Labor Ministry unemployment services,

and about NIS 1 billion for Yisrael Ba'Aliya's housing requests.

According to Labor and Social Affairs Ministry spokesman Nahum Ido, the ministry is asking for the same budget it received last year, while Yisrael Ba'Aliya whip Roman Bronfman said the party is just requesting what the prime minister promised.

"Everyone wants his own piece, and no one wants to make any concessions," said former finance minister Avraham Shohat (Labor), calling the new demands "blackmail."

Shohat said, however, from directly attacking the requests' sponsors, all would be future coalition partners in a Labor-led government. "It doesn't interest me why

they want the money. Bibi isn't responsible and the coalition isn't responsible either," he said.

MK Ophir Pines (Labor) suggested waiting until after the spring elections to deal with the problematic measures in the arrangements bill, otherwise there's the "danger of the coalition generating another deficit," he said.

While coalition whip Michael Kleiner was concerned that arrangement bill negotiations wouldn't be completed before the Knesset's February 1 recess, he said any coalition budget requests must be included in the budget vote.

"We need to create a framework and take responsibility for unpopular paragraphs in the bill, even if it

makes us unpopular in the elections," Kleiner told the *Post*.

Ravitz said there couldn't be a budget without the accompanying bill and that Knesset members would "live without their four-month vacation."

"It's not healthy for the economy to live without a budget," he said. "Contracts have to be signed and they can't be made on the existing support systems."

Former Treasury budget director Yoram Gabtai said that in the effective lack of a government, "it's better for the politicians not to have any money to play with, even if it's only four months," he added. "Better to do nothing new and just wait and see what happens."



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FINANCIAL MARKETS

TASE rises as Brazil leads global rally

Israeli stocks rose yesterday on optimism that Brazil's decision to stop defending its currency would limit damage to emerging markets.

The Maot Index of the Tel Aviv Stock Exchange's 25 largest companies rose 1.58 percent to 310.70 after rising 0.77 percent on Thursday.

Bank Hapoalim gained 2.14 percent to NIS 7.64 and Bank Leumi rose 1.74 percent to NIS 5.84. The country's bank stocks, which ordinarily generate the greatest volume of trading, were among the hardest hit by the movement of foreign investors from emerging markets after Brazil's currency was allowed to devalue and rebounded after shares rallied in other major world markets.

Makhteshim-Agan Industries gained 2.55 percent to NIS 8.44. The chemical manufacturer does a large portion of its business in Latin America, including Brazil, and would be vulnerable to bad debts if the Brazilian economy collapses.

Israel Corp. dropped 8.1 percent.



to NIS 363. The holding company that invests in shipping and electronics said its majority shareholder, the Eisenberg family, had agreed to sell its 33 percent stake to Israel's Ofer brothers for \$330 million. The transaction, which is subject to approval by Israeli antitrust authorities, is scheduled to be closed in three months. Dead Sea Works, a subsidiary of Israel Corp. fell 1.4 percent to 9.14.

Agis Industries gained 0.50 percent to NIS 19.94. Israel's second largest drugmaker said the country's largest health care provider renewed orders for medical supplies and that negotiations on prod-

uct pricing for 1999 would resume this week. Last week Agis stopped supplying the state-run General Health Fund after the health care provider didn't respond to a proposal to seek the help of an arbitrator to resolve negotiations.

Teva Pharmaceutical Industries jumped 4.98 percent to 177.20. Teva's chief executive Eli Hurvitz was sentenced to an 18-month suspended sentence and a fine of \$12 million in taxes at a former subsidiary, a term less harsh than expected.

Nice Systems rose 2 percent to 91.70. Nice's digital voice recording system, NiceLog, and the add-on retrieval database product, NiceCLIS, passed LM Ericsson's compliance tests.

Osem Investment rose 1.64 percent to NIS 17.38. The food manufacturer said it will pay a regular cash dividend of 33.9 agorot per share on February 17, with the stock trading ex-dividend starting January 18.

(Bloomberg)

BAe set to buy GEC's Marconi

British Aerospace looked set yesterday to clinch a takeover of General Electric's Marconi defense electronics business in an all-British deal newspapers said would be worth £16 billion to £18b.

"I'd be very surprised if it does not go through now," an industry source close to the talks told Reuters at the weekend.

The Mail on Sunday newspaper said the deal was due to be announced tomorrow, but that French defense giant Thomson-CSF had made a last-ditch bid to block it by wooing General Electric into an Anglo-French merger instead.

Other newspapers said Thomson's approach appeared to have failed, and that British Aerospace (BAe) had won the bidding.

The Sunday Times said the British government had blessed the deal even though it had been trying to promote a pan-European alliance to create a force capable of competing with US giants Boeing, Lockheed Martin, and Raytheon.

Industry and political sources have said any Aerospace-GEC deal

is likely to be just a first step, with the new group then trying to enter a wider consolidation of the European aerospace and defense industry.

BAe came close last month to agreeing a deal with Germany's DaimlerChrysler Aerospace (Dasa) to form a company with combined sales of over \$23b.

But final negotiations were upset when it emerged that GEC was

back courting BAe to create a vertically integrated defense industry giant with combined sales of over £12b.

No one at GEC was immediately available for comment. BAe declined to comment.

GEC has been in the hunt to make its Marconi Electronic Systems defense electronics, naval warfare, and missiles business a world player.

(Reuters)

ISRAEL MONEY MARKETS

Patah (foreign currency deposit rates)

Currency (deposit for)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$250,000)	4.770	4.800	5.080
U.S. dollar (\$100,000)	4.770	4.800	5.080
Pound sterling (£100,000)	5.550	5.540	5.620
German mark (DM 200,000)	2.180	2.280	2.700
Swiss franc (SF 200,000)	0.060	0.190	0.560
Yen (10 million yen)			

(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates (15.199)

Currency basket	Buy	Sell	Bank	Rate
U.S. dollar	4.052	4.068	—	4.409
U.S. dollar	4.054	4.107	3.97	4.080
EU euro	4.748	4.801	—	4.780
German mark	2.417	2.454	2.37	2.50
French franc	6.103	6.186	6.59	6.92
Japanese yen (100)	1.703	1.720	0.70	0.75
Dutch florin	3.588	3.647	3.52	3.70
Swiss franc	2.140	2.176	2.11	2.22
Denmark krone	2.924	3.024	2.92	3.07
Swedish krona	0.513	0.527	0.50	0.54
Norwegian krone	0.5405	0.5493	0.53	0.56
Finland mark	0.6347	0.6450	0.62	0.66
Canadian dollar	0.7947	0.8075	0.78	0.82
Australian dollar	2.5380	2.5808	2.59	2.72
African rand	2.5336	2.5848	2.50	2.64
Belgian franc (10)	1.713	1.742	1.58	1.61
Austrian schilling (10)	3.436	3.4890	3.38	3.478
Italian lira (1000)	2.4001	2.4795	2.40	2.52
Jordanian dinar	5.6817	5.7734	5.68	5.89
Egyptian pound	5.9992	6.0960	5.90	6.094
Irish pound (100)	2.5387	2.5858	2.78	2.8729

*These rates vary according to bank.

SOURCE: BANK LEUMI

GENERAL ASSISTANCE

EMERGENCY

Pharmacies: Jaffa Gate, 628-3898; Basmah, Salah el-Din, 627-2315; Shufat, Shufat Road, 581-0108; Dar Al-Khawan, Herod's Gate, 628-2058; Tel Aviv: Superpharm, 628-2058; Herod's Gate, 628-2058; Tel Aviv: Ramat Aviv, 641-7177; Jabotinsky, 125 Ibn Gviri, 546-2040.

DUTY HOSPITALS

Jerusalem: Hadassah Ein Kerem (Internal, surgery, orthopedics, ENT); Meigav Lachad (obstetrics); Ziklin Holim (pediatrics); Shezaf Ziklin (ophthalmology).

Tel Aviv: Tel Aviv Medical Center

Dana Pediatric Hospital (pediatrics); Tel Aviv Medical Center (Internal, surgery).

Tel Aviv: Laniado.

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The National Poison Control Center

at Ramat Hashikma Hospital 04-652-9205, 24 hours a day, for information in case of poisoning. Tel Aviv: 655-6555; Beer Sheva: 655-6555; Bnei Brak: 655-6555; Haifa: 655-6555; Jerusalem: 655-6555; Netanya: 655-6555; Ramat Gan: 655-6555; Tel Aviv: 655-6555; Yotvata: 655-6555.

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Israel Cancer Association support service

02-624-7676. Flight arrivals - for information in English 03-972-3344.

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JERUSALEM

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Museums: TEL AVIV MUSEUM OF ART. Ninety Years of Israeli Art - selection from the Joseph Herta and Paul Amirson Collection. Avigdor Anish - drawings. Hebraic - Avigdor Anish - drawings. Jozef Israels - paintings. Isaac Israels - paintings. "A Point of View" - children's exhibition. Collections. HELENA RUBINSTEIN PAVILION FOR CONTEMPORARY ART. On the Edge - New Art from Private Collections in France. Hours: 10 a.m. - 6 p.m. Tue. 10 a.m. - 10 p.m. Fri., Sat. 10 a.m. - 2 p.m. Meyerowitz Art Education Center. Tel. (03) 691-9155/8.

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ZVILLI

Continued from Page 1

"The last year was one of tension between us," said Baram, adding the differences were over a variety of issues. Of late their disagreement centered on Barak's request to set aside places on Labor's list for non-party members. "I saw in this a real threat to democracy in the party."

When Baram was party secretary-general in 1988, he introduced the primary system, moving away from the process of selection by committee.

With a compromise reached last week on the primary list, Baram decided he would be happy to stay in the party and take an active role

in helping during the campaign. Baram has not been guaranteed a top slot on the list, although he came in first position during the last primaries, just before the 1996 election.

Asked if he fears that he will receive a relatively junior position, such as the Tourism portfolio, Baram could only reply that he sincerely hopes he will be rewarded with a more senior ministry, should Labor win.

In Baram's opinion, the two major parties are both pulling together and overcoming their problems. Further, with the center list's inability to unify, he maintains Labor and Likud will remain the largest parties after the election.

Elsewhere, MK Hanan Porat is expected to announce today

whether he will be leaving the National Religious Party, with one possibility being his joining Ze'ev (Benny) Begin's new Herut party. Begin and his aides have put considerable effort into attracting Porat, seen as on the right-wing of the NRP.

Yisrael Ba'aliya MKs Yehi Stern and Michael Nudelman last night met with some 300 party activists to discuss their future. At the end of the meeting, it was decided to call for a vote, challenging the leadership of Nathan Sharansky. Stern said if such a vote is arranged, he will contest the leadership. However if that is not permitted by the party, he and Nudelman will leave, in all probability for Avigdor Lieberman's Yisrael Beiteinu.

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Phoenix	23	11	5	51	105	81
Anaheim	16	18	8	40	102	98
San Jose	14	18	11	39	98	102
Los Angeles	16	23	4	36	100	113



FUTURE HOPES - Australian teenager Jelena Dokic plays a backhand in her exhibition match against Monica Seles on Center Court at Melbourne Park, the venue for the Australian Open which begins today. (Reuters)

Corretja, Davenport kick off Open

MELBOURNE (AP) - In-form players Alex Corretja and Lindsay Davenport get the first tennis Grand Slam of the year underway when the Australian Open starts at Melbourne Park today.

Spanish Corretja, the No. 2 seed and French Open runner-up, will play the opening match on center court against Japan's Takao Suzuki.

American Davenport, the top women's player, starts her pursuit of back-to-back Grand Slam wins against Gala Leon Garcia of Spain.

Davenport won the women's event at the Sydney Adidas International on Saturday, beating her close rival and world No. 2 Martina Hingis in straight sets.

It was an impressive victory and her first since robbing the Swiss star of the No. 1 ranking in October.

Before that, Davenport had defeated Hingis in the US Open final to win the first Grand Slam event of her career.

Davenport is justifiably full of confidence ahead of the Australian Open after sweeping aside Hingis and Steffi Graf in the semis.

"I've always said Australian and New York would be my best chance because of the surface and as it turns out the next one is Australia since winning my only one," Davenport said.

Both the men's and women's draws are considered wide open. "It's difficult to pick these days," Davenport said. "There's a lot of girls who have a good chance of winning and it's a very open field as to who is the favorite and who will walk away with the title."

Corretja has never been beyond the third round of the Australian Open and was found wanting when American Todd Martin beat him in Saturday's final.

"Todd's always going to be in contention and we have to keep him in mind," Corretja said. "It's going to be a very open Open, many players will have the chance to do well there."

Thomas Enqvist has shaped as an outside chance for the title following his win in the ATP event in Adelaide and Colonial Classic exhibition event over the past week in Melbourne.

Smashnova plays today

By HEATHER CHAIT

Israel's lone representative, Anna Smashnova, plays her first round match in Melbourne today against Elena Tatarkova from the Ukraine.

Smashnova, whose WTA ranking is 45, is just one place behind Tatarkova but has recently enjoyed a relative return to form.

This is the first time in three years that Smashnova has entered the main draw automatically; in 1997 and 1998 she lost in the first and second rounds of the qualifying rounds respectively.

A win for Smashnova today will mean a second-round match against the winner of the Emilie Loit-Mirjana Lucic match.

Losing this year in the men's first round qualifiers were both Harel Levy and Oren Motevassel. Levy went down to Edwin Kempes from the Netherlands 6-4, 6-4 and Motevassel was beaten by Marc Goellner from Germany 6-1, 6-7(5), 6-2.

Hila Rosen also lost her first-round match in the women's qualifiers, going down to Australian Rennae Stubbs 6-1, 6-3.

Tyson KO's trash-talking Botha in 5th

LAS VEGAS (AP) - A taunt was just what Mike Tyson needed.

Fighting for the first time in 19 months, he trailed on all three judges' cards when Francois Botha started talking trash.

With 10 seconds left in the fifth round in their non-title heavy-weight bout Saturday night, Tyson shut him up with a right to the head - a punch that dropped Botha in a heap and may also have saved Iron Mike's career.

"He was talking a lot of smack and stuff, but I was cool," said Tyson, who hadn't fought since hitting Evander Holyfield's ears on June 28, 1997 - an action that led to his license being revoked.

"Yeah, I was trying to bait him," Botha said. "I just walked into it."

This fight at the MGM Grand Garden almost ended in controversy as well. When the bell ended the first round, the fighters were in a clinch and referee Richard Steele moved in to part them. Botha hit Tyson with a right to the head and they went at each other as security men and corner men rushed to break it up.

There was tight security at the MGM Grand because of a major disturbance that caused the casino to be closed for several hours after the Bite Fight.

Botha also appeared to be having the best of the fifth round when, with about 10 seconds left, he went to throw a right to the body. Tyson countered with a perfectly balanced right that crashed full into Botha's face and dropped him as if he'd been hit with a hammer.

The 233-pound South African tried to get up, but fell back to the canvas. He struggled up at the count of 7, only to fall back as Steele waved the fight over. While Botha remained sitting on the canvas, Tyson knelt down, hugged him and kissed him on top of the head.

The fight ended with one second left in the fifth round.

Tyson had said he was going to go right after Botha and knock him out, but he was wild with many of his punches and couldn't do anything with Botha on the inside.

"I had a tremendous amount of rust," said the 32-year-old Tyson.



ON THE WAY - Mike Tyson (l) gets set to deliver an uppercut to Francois Botha in third-round action. (AP)

whose license was restored by a 4-1 vote of the Nevada State Athletic Commission last October 19.

Tyson was bleeding from a cut over the right eye from the first round and it seemed to bother him. He complained to Steele about butting, but it was Tyson who was penalized a point, for excessive holding, in the second round.

At the end of four rounds, judges Dave Moretti and Dalby Shirley each had Botha ahead 40-35, while

Bill Graham favored Botha 39-36. As the fight progressed, Tyson grew increasingly frustrated.

Tommy Brooks, training the former undisputed champion for the first time, told him he needed to get down to business. "Take it easy," Tyson told Brooks. "I'm going to catch him late."

While Tyson answered his critics with a victory, his performance certainly won't put an end to criticism. He was a 7-1 favorite to beat Botha and hardly anyone expected

him to have a hard time with him. "Everybody said I was losing my confidence," Tyson said.

"They were talking bogus about me. It made me angry. No one is going to disrespect me."

The 223-pound Tyson, fighting for only the seventh time in eight years, acknowledged he needs to be active.

"I just need to fight," he said. "I need to put on a better show."

The first ended with about a dozen people in the ring trying to

separate the fighters. Steele delayed the start of the second round for 45 seconds, while he talked with Marc Ratner, executive director of the Nevada commission. Steele then warned both fighters before he allowed the match to resume.

Tyson, whose purse was \$10 million, notched the 40th knockout on his 46-3 record. Botha, a former IBF champion, lost for the second time against 39 wins, 24 by knockout. His purse was \$1.85 million.

Brand leads Duke past Seminoles

NCAA BASKETBALL

DURHAM, N.C. (AP) - Who's hotter, Elton Brand or No. 2 Duke? The hulking center for the Blue Devils made 9 of his first 11 shots and finished with 27 points and 15 rebounds as Duke won its 12th straight and remained undefeated in the ACC with a 98-73 victory over Florida State on Saturday.

The win was the Blue Devils' (17-1, 6-0) Atlantic Coast Conference 32nd straight victory in Cameron Indoor Stadium.

The fans taunted the Seminoles (9-7, 3-2) - the ACC's football power - with a chant of "Need Four TDs" as Duke's lead approached 30 early in the second half.

No. 1 Connecticut 81

Pittsburgh 58

Albert Mouring had a career-high 18 points for Connecticut (15-0, 7-0 Big East).

Connecticut, along with Auburn the only undefeated teams in Division I, took command against the Panthers (9-7, 1-5) with a 13-0 run that gave it a 19-6 lead with 11:36 to play in the first half. Mouring had seven points, in the run on 3-pointers, one a four-point play.

No. 3 Cincinnati 72

Oklahoma 59

Pete Mickel scored 17 points as third-ranked Cincinnati bounced back from its first loss to win at home with a balanced offense and trapping half-court defense.

No. 4 Stanford 72

No. 10 UCLA 59

Mark Madsen scored 16 points and Stanford used its experience and zone defense to win on the road.

The Cardinal (15-2, 5-0 Pac-10) won its 11th straight, while their starting lineup of Peter Sauer, Madsen, Tim Young, Kris Weems and Arthur Lee improved to 36-5.

No. 16 New Mexico 79

No. 7 Arizona 78

Danion Walker's layup at the buzzer capped a big second-half comeback that lifted New Mexico to a home win.

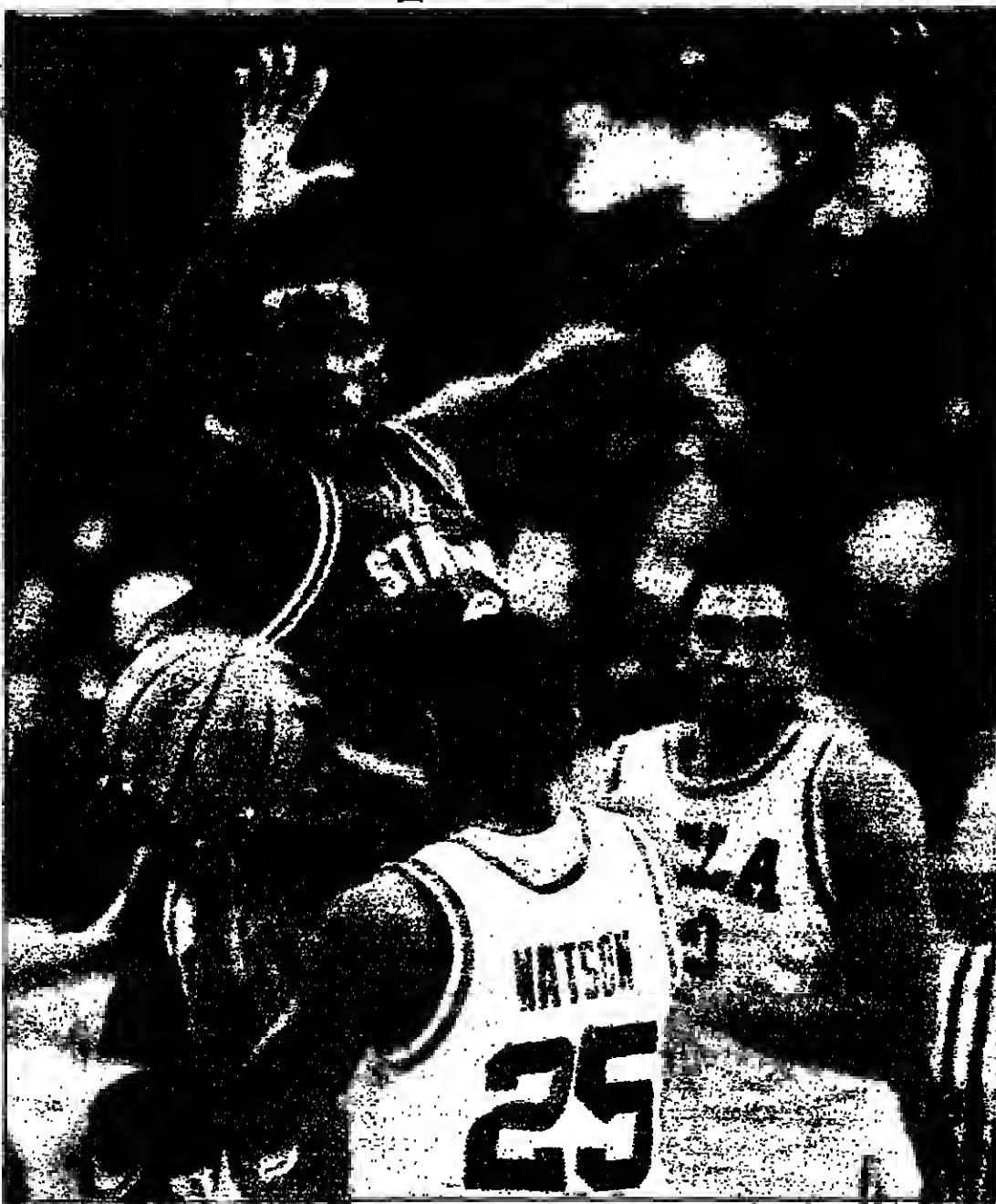
New Mexico (16-2) trailed 43-28 at halftime, but Walker and Lamont Long led a rally that gave the Lobos their 40th straight win in The Pit against non-conference opponents.

No. 9 North Carolina 59

NC State 56

Brendan Haywood scored 16 points and came up with three key blocks late in the game as visiting North Carolina edged North Carolina State in their last meeting at Raleigh's Reynolds Coliseum.

N.C. State (11-6, 2-4 ACC) went seven minutes without a basket down the stretch before Tim Wells hit a shot in the lane with 50.2 seconds left. Wells almost sent the game to overtime, but his half-court shot at



LOOKING FOR DAYLIGHT - Stanford University's Kris Weems defends against a pass from UCLA's Earl Watson as Bruins Dan Gadzuric looks on. Stanford stopped UCLA, 72-59. (Reuters)

the buzzer hit off the front of the rim as the Tar Heels (15-4, 3-2) evened their all-time record at Reynolds at 29-29.

No. 11 St. John's 88

Rutgers 78

Lavor Postell scored 16 of his 21 points in the second half as St. John's extended its home winning streak to 14.

No. 19 Minnesota 75

No. 12 Iowa 70

Quincy Lewis scored 29 points as host Minnesota ended Iowa's 11-game winning streak.

The Golden Gophers (11-3, 2-2) held off a furious Iowa rally, which cut a 15-point deficit down to two points with 1:44 to play.

No. 23 Indiana 87

No. 13 Purdue 76

Luke Recker scored 24 points as Indiana won at Purdue for the first time since 1993.

A.J. Guyton had 21 points; William Gladness scored 13 and Lynn Washington had season-

highs of 12 points and 10 rebounds for Indiana (16-5, 3-3 Big Ten).

No. 14 Michigan St. 51

Illinois 49

Jason Klein scored 15 points and Morris Peterson had 11 points and 10 rebounds as Michigan State notched a road victory.

Illinois, which trailed by 10 points with six minutes left, had a chance to win at the buzzer but Cory Bradford's shot from beyond halfcourt bounced off the rim.

No. 20 TCU 92

Colorado St. 89 (OT)

Ryan Carroll scored four points in the final 38 seconds of overtime, and Marquise Gainous had 24 points as Texas Christian won on the road.

No. 24 Arkansas 82

Georgia 79

Pat Bradley broke out of a shooting slump with 26 points, and Kareem Reid made two free throws in the final 10 seconds.

Buckeyes spark East over West

NCAA FOOTBALL

STANFORD (AP) - Ohio State teammates Joe Montgomery and Joe Germaine provided much of the offense and the East defense had three interceptions and four sacks in a 20-10 victory in Saturday's East-West Shrine Bowl.

Montgomery had 23 carries for 93 yards, including a 7-yard scoring run, and Germaine threw for 207 yards as the East won for just the third time in the last 10 Shrine games, a post-season college gridiron tradition for graduating seniors.

L.C. Stevens of North Carolina caught six passes for 154 yards for the East squad, coached by Ohio State's John Cooper.

Stevens caught a 22-yard scoring pass from Aaron Brooks of Virginia. Jeff Hall of Tennessee added field goals of 47 and 26 yards for the East.

The announced attendance for the All-Star game, which no longer draws the nation's top college stars and featured only one first-team All-American this year, was 69,111.

England threatened with expulsion from Five Nations

TWICKENHAM (AP) - England will be thrown out of the Five Nations rugby championship if they don't make clear their full support of the present television agreement.

A 10-year television deal was hammered out in tough negotiations in 1996, but England are now apparently complaining that all terms have not been met and are demanding it be redrafted.

Allan Hosie, chairman of the Five Nations committee, said England had until noon today to show their support.

Twickenham's (English Rugby Football Union's) reaffirmation of support is urgently required, Hosie said yesterday. "If it is not forthcoming the alternative is swapping Italy with England in the Five Nations this season."

Italy are due to enter the competition next year when the Five Nations becomes the Six Nations.

Francis Baron, chief executive of the RFU, said England has done nothing wrong.

"We have broken no clause or rule and I wish Mr. Hosie would tell us where we are alleged to have gone wrong - or please shut up. If you have broken no rules you cannot be expelled."

"We never said that the TV agreement was invalid. But certain issues need to be tidied up," Baron added.

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